AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

S. HRG. 109–901

NOMINATIONS OF: JAMES LAMBRIGHT, ARMANDO J. BUCELO, JR., TODD S. FARHA, JOHN T. RYMER, JOHN W. COX, AND WILLIAM HARDIMAN

HEARING

BEFORE THE

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS UNITED STATES SENATE

ONE HUNDRED NINTH CONGRESS

SECOND SESSION

ON

NOMINATIONS OF:

JAMES LAMBRIGHT, OF MISSOURI, TO BE PRESIDENT OF THE EXPORT-IMPORT BANK OF THE UNITED STATES

ARMANDO J. BUCELO, JR., OF FLORIDA, TO BE CHAIRMAN OF THE SECURITIES INVESTOR PROTECTION CORPORATION

TODD S. FARHA, OF FLORIDA, TO BE MEMBER OF THE BOARD OF DIRECTORS OF THE SECURITIES INVESTOR PROTECTION CORPORATION

JON T. RYMER, OF TENNESSEE, TO BE INSPECTOR GENERAL OF THE FEDERAL DEPOSIT INSURANCE CORPORATION

JOHN W. COX, OF TEXAS, TO BE CHIEF FINANCIAL OFFICER OF THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WILLIAM HARDIMAN, OF MICHIGAN, TO BE MEMBER OF THE BOARD OF DIRECTORS OF THE NATIONAL INSTITUTE OF BUILDING SCIENCES

MAY 16, 2006

Printed for the use of the Committee on Banking, Housing, and Urban Affairs

Available at: http://www.access.gpo.gov/congress/senate/senate05sh.html

U.S. GOVERNMENT PRINTING OFFICE

35–500 PDF WASHINGTON : 2007

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512–1800; DC area (202) 512–1800
Fax: (202) 512–2250 Mail: Stop SSOP, Washington, DC 20402–0001

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

RICHARD C. SHELBY, Alabama, *Chairman*

ROBERT F. BENNETT, Utah
WAYNE ALLARD, Colorado
MICHAEL B. ENZI, Wyoming
CHUCK HAGEL, Nebraska
RICK SANTORUM, Pennsylvania
JIM BUNNING, Kentucky
MIKE CRAPO, Idaho
JOHN E. SUNUNU, New Hampshire
ELIZABETH DOLE, North Carolina
MEL MARTINEZ, Florida

PAUL S. SARBANES, Maryland
CHRISTOPHER J. DODD, Connecticut
TIM JOHNSON, South Dakota
JACK REED, Rhode Island
CHARLES E. SCHUMER, New York
EVAN BAYH, Indiana
THOMAS R. CARPER, Delaware
DEBBIE STABENOW, Michigan
ROBERT MENENDEZ, New Jersey

KATHLEEN L. CASEY, *Staff Director and Counsel*
STEVEN B. HARRIS, *Democratic Staff Director and Chief Counsel*
ANDREW OLMEM, *Counsel*
JUSTIN DALY, *Counsel*
JONATHAN V. GOULD, *Counsel*
DEAN V. SHAHINIAN, *Democratic Counsel*
AARON KLEIN, *Democratic Economist*
PATIENCE R. SINGLETON, *Democratic Counsel*
JOSEPH R. KOLINSKI, *Chief Clerk and Computer Systems Administrator*
GEORGE E. WHITTLE, *Editor*

C O N T E N T S

TUESDAY, MAY 16, 2006

	Page
Opening statement of Chairman Shelby	1
Opening statements, comments, or prepared statements of:	
Senator Sarbanes	2
Senator Crapo	4
Senator Martinez	4
Senator Dodd	10
Senator Allard	11
Prepared statement	29

WITNESS

Kit Bond, A U.S. Senator from the State of Missouri	5

NOMINEES

James Lambright, of Missouri, to be President of the Export-Import Bank of the United States	6
Biograpical sketch of nominee	32
Armando J. Bucelo, Jr., of Florida, to be Chairman of the Securities Investor Protection Corporation	12
Biograpical sketch of nominee	40
Todd S. Farha, of Florida, to be Member of the Board of Directors of the Securities Investor Protection Corporation	14
Biograpical sketch of nominee	54
Jon T. Rymer, of Tennessee, to be Inspector General of the Federal Deposit Insurance Corporation	21
Prepared statement	29
Biograpical sketch of nominee	60
John W. Cox, of Texas, to be Chief Financial Officer of the U.S. Department Of Housing And Urban Development	21
Prepared statement	30
Biograpical sketch of nominee	67
William Hardiman, of Michigan, to be Member of the Board of Directors of the National Institute of Building Sciences	22
Biograpical sketch of nominee	74

NOMINATIONS OF:

JAMES LAMBRIGHT, OF MISSOURI, TO BE PRESIDENT, EXPORT-IMPORT BANK OF THE UNITED STATES;

ARMANDO J. BUCELO, JR., OF FLORIDA, TO BE MEMBER, BOARD OF DIRECTORS, SECURITIES INVESTOR PROTECTION CORPORATION;

TODD S. FARHA, OF FLORIDA, TO BE MEMBER, BOARD OF DIRECTORS, SECURITIES INVESTOR PROTECTION CORPORATION;

JOHN T. RYMER, OF TENNESSEE, TO BE INSPECTOR GENERAL, FEDERAL DEPOSIT INSURANCE CORPORATION;

JOHN W. COX, OF TEXAS, TO BE CHIEF FINANCIAL OFFICER, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WILLIAM HARDIMAN, OF MICHIGAN, TO BE MEMBER, BOARD OF DIRECTORS, NATIONAL INSTITUTE OF BUILDING SCIENCES

TUESDAY, MAY 16, 2006

U.S. SENATE,
COMMITTEE ON BANKING, HOUSING AND URBAN AFFAIRS,
Washington, DC.

The Committee met at 10:43 a.m., in room SD–538, Dirksen Senate Office Building, Senator Richard C. Shelby (Chairman of the Committee) presiding.

OPENING STATEMENT OF CHAIRMAN RICHARD C. SHELBY

Chairman SHELBY. The hearing will come to order.

This morning, we will consider several nominations, and I appreciate the willingness of the nominees to appear before the Committee today. Today's hearing will consist of three panels. Our first panel will consist of Mr. James Lambright, who has been nomi-

nated to be President of the Export-Import Bank. Mr. Lambright is currently the Acting President and Chairman of the Export-Import Bank. Prior to assuming his current position, he served as the Bank's Executive Vice President and Chief Operating Officer. Mr. Lambright came to the Bank in 2001 from Credit Suisse-First Boston, where he was Vice President of Private Equity. A native of St. Louis, Missouri, Mr. Lambright graduated from Harvard Law School and received a bachelor's degree from Stanford University.

Our second panel will consist of Mr. Armando Bucelo and Mr. Todd Farha, who have been nominated to be Directors of the Securities Investor Protection Corporation. Mr. Bucelo is being renominated to serve as a director. He was first appointed to the Board in 2002, and earlier this year, President Bush appointed him Chairman of the Board. Mr. Bucelo is an attorney at his own firm in Coral Gables, Florida. He earned his law and bachelor's degrees from the University of Miami.

Mr. Farha is currently the President and Chief Executive Officer of WellCare Health Plans, Inc., a leading multistate provider of managed health care services. A native of Wichita, Kansas, Mr. Farha received his bachelor's degree from Trinity University and his MBA from Harvard Business School.

Our third panel will consist of three nominees, Mr. Jon T. Rymer, who has been nominated to be Inspector General of the Federal Deposit Insurance Corporation. Mr. Rymer is currently on active duty in the Ohio Army National Guard, serving as Command Sergeant Major of the 155th Chemical Battalion. Mr. Rymer previously served as a Director of KPMG, LLP and as Executive Vice President for Bank America of Arkansas. Mr. Rymer received his bachelor's degree from the University of Tennessee and his MBA from the University of Arkansas.

Mr. John Cox has been nominated to be the Chief Financial Officer at the U.S. Department of Housing and Urban Development. He began his professional career as an accountant with Ernst & Young, LLP. He also served as the Chief Financial Officer and Chief Accounting Officer for BMC Software.

Mr. William Hardiman has been nominated to be a Member of the Board of Directors of the National Institute of Building Sciences. Currently, Mr. Hardiman represents the 29th District in the Michigan State Senate. Previously, he served 10 years as the Mayor of Kentwood, Michigan. We look forward to hearing from each of you later.

Senator Sarbanes.

STATEMENT OF SENATOR PAUL S. SARBANES

Senator SARBANES. Mr. Chairman, thank you very much. I join you in welcoming the nominees before the Committee this morning. I obviously hold public service in high esteem, and I congratulate all of the nominees, and I appreciate their willingness to serve the Nation.

Let me just say first of all about Jim Lambright, who has been nominated to serve as Chairman and President of the Export-Import Bank. He has been at the Bank now for a number of years, and he brings a very substantial background to this work. He is no stranger to the Committee. He has testified on more than one

occasion, including on the pending reauthorization of the Export-Import Bank, and I understand that there is going to be a full Committee hearing on this reauthorization in the near future.

Chairman SHELBY. Absolutely.

Senator SARBANES. I do want to express my very strong concern that there are currently three empty seats on the five-person board of the Export-Import Bank, and in fact, the Bank is only able to achieve a quorum in order to conduct its business because Mr. Lambright is serving in an acting capacity under the Vacancies Act. In February of this year, the Bank came close to losing a quorum of three Board members altogether, and I simply want to take this opportunity to urge the Administration to move immediately to fill the other vacancies.

Chairman SHELBY. Absolutely.

Senator SARBANES. We ought not to have this situation. It is not good for the Bank. It is not good for the country.

The second panel, the Securities Investor Protection Corporation, which, of course, was created by Congress to give investors certain protections against losses relating from the failure of their securities brokerage firms. Under SIPC, broker-dealers contribute to the fund, which helps customers of failed brokers recover their cash and securities, with limits of $500,000 per customer; cash claims are limited to $100,000. It is a very important part of the whole picture to maintain investor confidence, and we need SIPC to operate in an effective, efficient, and fair manner. I welcome the two nominees who will be before us on the second panel, and I look forward to hearing from them, Mr. Bucelo and Mr. Farha.

The third panel is a mix of offices, Jon Rymer to be the Inspector General of the FDIC; John Cox to be Chief Financial Officer of the Department of Housing and Urban Development, and Bill Hardiman to be a Member of the Board of the National Institute of Building Sciences. I want to emphasize the importance of the position for which Mr. Rymer has been nominated. He brings important experience in internal auditing and consulting for the banking industry. I am pleased to see that. The FDIC's Office of Inspector General is an independent unit that conducts audits, investigations, and other reviews of the FDIC's programs and operations.

I think it makes an important contribution to the stability of and public confidence in the Nation's financial system. One of the main responsibilities of the Inspector General's office is to inform the FDIC Chairman and Congress of problems in the FDIC programs and operations and the necessity for and progress of corrective actions. It also conducts criminal investigations in coordination with the Justice Department and U.S. Attorneys throughout the country, the FBI, the IRS, and State and local enforcement agencies. An acting Inspector General responsible for overseeing the operations of the office has been in place since January 2005. That is 15, 16 months ago. And so, I am relieved, and I guess in a sense pleased, although I am displeased that it has not come sooner, that the President is now filling this important position.

Now, Mr. Cox, who comes to the job of Chief Financial Officer of HUD, has had important previous experience that is relevant to this work. This is a very important position. In fact, the Department has consistently had difficulty managing its financial and

program systems. I see Senator Bond nodding his head. This has been a problem for many years across many administrations, I would note.

These financial systems are crucial tools that managers at the Department should be able to use to help evaluate the programs they oversee. Current and accurate financial information is important, should be available to HUD and here on Capitol Hill. This position has remained vacant for over a year. I mean, HUD has a budget of about $30 billion in annual appropriations, oversees $400 million in FHA insurance, so finally, this position is being filled.

Finally, I want to thank Mr. Hardiman. He actually serves on a volunteer basis at the Board of the National Institute of Building Sciences, which seeks to improve the building regulatory environment and facilitate the introduction of new and existing products and technology.

Mr. Chairman, I look forward to hearing from our nominees today.

Chairman SHELBY. Thank you.

Senator SARBANES. And I welcome all of them before the Committee.

Chairman SHELBY. Senator Crapo.

STATEMENT OF SENATOR MIKE CRAPO

Senator CRAPO. Thank you very much, Mr. Chairman, and I will be brief, but I do want to thank you for bringing the nomination of Mr. Lambright forward promptly and for what I hope will be expedited treatment of this nomination.

I am a strong supporter of Jim Lambright to be the Chairman and President of the Export-Import Bank. His expertise and his experience is going to be very helpful to both us on the Committee as well as the Bank itself as we move forward with reauthorization of the Export-Import Bank. As Senator Sarbanes has indicated, he is no stranger to this room. He has testified twice before our Subcommittee on International Trade and Finance to discuss the reauthorization of the Ex-Im Bank, and I think he has shown that he has earned a reputation of working with all sides and I believe enjoys wide support and respect both in and out of Congress. I cannot think of a better choice, and I am hopeful that we can expedite this process.

Thank you, Mr. Chairman.

Chairman SHELBY. Senator Martinez, do you have an opening statement?

STATEMENT OF SENATOR MEL MARTINEZ

Senator MARTINEZ. Mr. Chairman, I have an opening statement for panel two if I could.

Chairman SHELBY. Thank you.

Senator MARTINEZ. Thank you very much.

Chairman SHELBY. Senator Bond, we welcome you to our Committee for any statement you want to make on behalf of the nominee.

STATEMENT OF KIT BOND

A U.S. SENATOR FROM THE STATE OF MISSOURI

Senator BOND. Mr. Chairman, Members of the Committee, it is good to be back in this room in which we spent many hours. I worked in this room with you, Senator Sarbanes, on the problems of HUD, and I have since had the dubious distinction of being either the member or the Chairman of the Appropriations Subcommittee who has dealt with that problem for many years, and I think Senator Sarbanes' understatement was that we have not yet gotten financial controls over that very important Department.

But we are here today on another matter, and this one gives me a great honor and pleasure to introduce James Lambright to this Committee, reintroduce him as President-Designate for the Export-Import or Ex-Im Bank. I have known Jim's family for decades, since before I first ran for Governor in Missouri back in the early 1970's. I am very proud that Jim is a native of St. Louis. As you said, Mr. Chairman, he graduated with honors from Harvard Law School, received a bachelor of arts in linguistics from Stanford. He is a term member of the Council on Foreign Relations and a Henry Crown Fellow of the Aspen Institute.

Presently, as you know, he is Acting President of Ex-Im, having been elevated to that role from his position as the Bank's Executive Vice President and Chief Operating Officer in July 2005 by President Bush. Before that, Jim created and ran the Credit and Risk Management Group, overseeing risk assessment activities for the Bank's transaction flow of nearly $1 billion per month. He came to Ex-Im in 2001 from Credit Suisse-First Boston in Los Angeles, where he was Vice President for Private Equity. While there, he specialized in the underwriting and negotiation of real estate and venture capital transactions. Thus, in addition to being eminently qualified for the position of President of the Bank, Jim is a man of energy, commitment, and integrity, who will bring all those good qualities of character to the Bank.

Throughout his career, Jim has had a reputation for creativity and competence. I am confident that he will approach his job at the Bank with the same intelligence and enthusiasm he has brought to all of his other endeavors. The new President must have leadership skills to run such a large agency. Let me assure you that what I know about him, Jim Lambright is the right man for this job, and with the important upcoming reauthorization, I trust that the Committee can move quickly to consider this nomination, and I would urge your favorable consideration.

Thank you, Mr. Chairman.

Chairman SHELBY. Mr. Lambright, will you stand and be sworn?

[Witness sworn.]

Senator SARBANES. Mr. Chairman.

Chairman SHELBY. Yes.

Senator SARBANES. Senator Stabenow wanted to be here this morning to welcome and introduce Mr. William Hardiman who is from Michigan and has been nominated to be a Member of the Board of Directors of the National Institute of Building Sciences. Regrettably, she has a direct conflict with another Committee of hers.

Chairman SHELBY. Okay. Any written statement will be made part of the hearing record on her behalf.

Senator SARBANES. Certainly. Thank you very much.

Chairman SHELBY. Thank you, Senator.

Mr. Lambright, do you have any family members you want to introduce?

STATEMENT OF JAMES LAMBRIGHT, OF MISSOURI, TO BE PRESIDENT, EXPORT-IMPORT BANK OF THE UNITED STATES

Mr. LAMBRIGHT. Yes, I would like to recognize my father, Steve Lambright.

Chairman SHELBY. Thank you.

Mr. LAMBRIGHT. Thank you.

Chairman SHELBY. You proceed as you wish.

Mr. LAMBRIGHT. Thank you, Mr. Chairman.

Mr. Chairman, Senator Sarbanes, Members of the Committee, I am pleased to come before you today as you consider my nomination to be President of the Export-Import Bank of the United States. I would like to thank Senator Bond for his kind introduction. I want to thank President Bush for the confidence he has shown in me by nominating me to lead an organization I hold in such high regard.

Reflecting on my nearly 5 years at Ex-Im Bank, I am struck by the good fortune I have enjoyed working for three leaders, each of whom achieved a high degree of private sector success and demonstrated a deep commitment to public service.

In 2001, I came to Washington from investment banking to work for the Bank's then-Chairman, John Robson. In the short time that we served together before his untimely passing, Chairman Robson showed through his attitude and actions that there is no canvas as big to paint on as that offered by public service. Then, under Vice Chairman Eduardo Aguirre, I was able to take on increasing levels of responsibility and assist him in applying best practices from private sector banking to the Bank's operations.

Most recently, I served under Chairman Philip Merrill, to whom I owe a tremendous debt of gratitude for his trust and confidence in providing me an opportunity to assume a senior leadership role.

If confirmed, I hope to continue this line of service and leadership in a way that best positions Ex-Im Bank to fulfill the important mandate given it by Congress, to create and sustain American jobs by helping to finance export transactions that would not otherwise go forward.

To be clear, if confirmed, my focus will be U.S. exporter competitiveness. My top priorities will be: Pursuing the successful reauthorization of the Bank; institutionalizing recent changes to our small business program, which included the creation of a dedicated small business division; and preparing the Bank to face nontraditional competition emerging within the evolving global economy.

During my tenure at the Bank, and particularly in my capacity as Acting President over the last 9 months, I have come to see the primary job of the Bank's President as navigating the Bank between two beacons established in our charter. One beacon represents our customers, America's exporters, to whom we owe our

aggressive support. The other beacon represents our shareholders, the U.S. taxpayers, to whom we owe our prudent stewardship. I have found that the smoothest course between these beacons can best be chartered through cooperation with all stakeholders.

To that end, I have worked closely with Members of Congress on their concerns about particular cases, changes to our small business program, and other issues relating to the Bank's current reauthorization. I have made a concerted effort to reach out to our customers, large and small, to understand better their views of how Ex-Im Bank can deliver its services more effectively and efficiently. And, I have maintained strong relationships with my fellow Board members, Linda Conlin and Senator Max Cleland.

If confirmed, I will continue to manage the Bank in a way that pays close attention to the concerns of Members of Congress, the Bank's customers, and my fellow Board members as we all work together to support U.S. exporter competitiveness.

Mr. Chairman, Senator Sarbanes, Members of the Committee, it is with great respect that I ask for favorable consideration of my nomination. I will be pleased to respond to your questions. Thank you.

Chairman SHELBY. Thank you, Mr. Lambright.

Mr. Lambright, if confirmed, which I believe you will be, you will assume significant responsibilities. Ex-Im authorized nearly $14 billion in financing last year and has approximately 400 employees. Your management will have a decisive impact on how effectively Ex-Im utilizes these resources to support American exports. What do you see as the most significant management issues facing Ex-Im, and how do you plan to confront them? You have been there awhile. You are the acting now.

Mr. LAMBRIGHT. I think of them in terms of shorter range versus longer range challenges. In the short-term, we need to get the Bank through reauthorization and implement the guidance Congress gives us, and part of that will be finding the right organizational structure and devotion of resources to maximize our support for small businesses that export. But in the longer range, there is a lot going on in the world of export credit that the Bank will need to adjust to in the future. There is an emergence of competitors that are not parties to our OECD agreements that govern much of our behavior. I am thinking of Brazil, India, and China in particular, and figuring out how the Bank can best support exporters in the face of this new competition. This is the biggest challenge.

Chairman SHELBY. The Export-Import Bank is required by law to allocate 20 percent of its aggregate loan guarantee and insurance authority for financing exports to small businesses in America. Since this mandate was enacted, it is my understanding that Ex-Im has never met that goal of 20 percent. If confirmed, what actions will you take to ensure or try to meet that 20 percent small business mandate, which I think is important to the country.

Mr. LAMBRIGHT. I agree with you that it is very important, Mr. Chairman. Upon assuming my current position, nothing has received more attention than our efforts to increase support for small business exporters. We have already made a number of changes, including the creation of an Outreach Division, focused exclusively on reaching small business exporters, headed by a new Senior Vice

President. We have designated specialists within each of the business units who will handle just small business applications, and I am sure that there is more we can do, and if confirmed, I will continue to focus on exploring new and creative ways to support small businesses.

Chairman SHELBY. Ex-Im's mission is to provide export financing when the private sector is unable or unwilling to do so. By providing export financing to exports to developing countries which private banks are unwilling to provide, Ex-Im facilitates the development of new markets for U.S. exports, for business.

In your view, can Ex-Im do more to expand the U.S. exports to developing countries, and can it safely assume the additional risk that financing exports to these countries would involve some risk, as you know?

Mr. LAMBRIGHT. There certainly is more that we can do. Ex-Im Bank is a provider of a service, and like any service provider, we can do more, and we can do it better. So we are looking at a lot of ways that we can do what we do more efficiently and more effectively. We have a new online application program that will be launched next month that should make it a lot easier for our customers to apply and will also help us manage the credit risk, which touches on the second point you raised about protecting the taxpayer from exposing them to too much risk.

Chairman SHELBY. Many foreign export credit agencies have entered into what they call co-financing agreements that you are very familiar with by which they agree to jointly support exports from each of their respective nations. Co-financing helps exporters around the world work together to compete for large transactions. How many co-financing agreements has Ex-Im entered into, and do you think that Ex-Im needs to enter into any additional co-financing agreements? Do you have any opinion on that?

Mr. LAMBRIGHT. Yes, we currently have five co-financing agreements. The last one was an agreement I signed a few months ago with Atradius, the Dutch export credit agency, but I do think that there is more we can do. The Europeans are ahead of us in this respect, largely because the European market is so integrated by currency and production, but there is more that U.S. Ex-Im can do on the co-financing front to help our exporters.

Chairman SHELBY. The Export-Import Bank Reauthorization Act of 2002, Mr. Lambright, mandated that Ex-Im implement technology improvements to improve its small business outreach and to enhance the tracking of all of Ex-Im's pending transactions. One of those initiatives to meet this mandate was Ex-Im Online. Despite having 4 years to meet this, however, Ex-Im, to my understanding, has still not finished developing the Ex-Im Online. When do you expect that to be operational?

Mr. LAMBRIGHT. June 1.

Chairman SHELBY. June 1. That is good news.

Senator Sarbanes.

Senator SARBANES. Thank you very much, Mr. Chairman.

I wanted to ask you about these vacancies on the Export-Import Board, which I mentioned in my opening statement, but it is an issue that has me very concerned. Chairman Merrill's term expired on January 20, 2005. The term of the Vice Chairman, April Foley,

expired on the same date, and the term of Joe Grandmaison expired on that date, January 20, 2005. That is about slightly over 15 months ago.

Now, under the terms of the Export-Import Bank structure, they can stay on for 6 months, which they did in each instance, and then, they have to leave the Board altogether, so you have a vacancy. So the Board was without a quorum. I mean, it had only two members, not three.

Now, they used the Vacancies Act to put you in there on an acting basis, thereby giving it a quorum, but is this not a problem? What is your view on these—so many vacancies and the ability of the Board to function in a normal, rational way?

Mr. LAMBRIGHT. It is an important concern, Senator Sarbanes. Fortunately, as you know, we were able to have a quorum, and so, since the terms expired, we have not had to interrupt the regular meetings of our Board to provide authorizations for export credits to our customers. But you correctly note that we might have had a problem with that.

Senator SARBANES. You do not get the benefit of the advice and counsel of a full Board. Furthermore, the way the statute is written, two of the five Members have to come from the party other than the President's party, and I think the thinking behind that was that you would get a balanced board. It would help to take the Ex-Im Bank out of politics, not thrust it into politics, which I think is a very important consideration.

But obviously, that balance can be affected by having these empty seats. And it seems to me that the objective should be to have a fully appointed Board, not just enough to constitute a bare quorum, which can transact business, but if that is going to be, maybe you should change it to a three-member Board instead of a five-member Board. I mean, the rationale for a five-member Board I think is pretty good but begins to collapse if these seats are allowed to go unfilled.

Now, obviously, you do not make the nominations, but as the prospective Chairman of the Board, you are going to have a heavy responsibility in making sure the Bank works right.

Chairman SHELBY. He is going to want them.

Senator SARBANES. And it seems to me, I want to just energize you on this particular issue. Mr. Chairman, I think it is very important. In fact, I have some hesitation moving ahead on these Export-Import nominations until the Administration comes through with its other nominees. You know, they are partly crippled, in my perception.

Chairman SHELBY. They should be at full strength.

Senator SARBANES. Strength, yes.

Chairman SHELBY. Senator Sarbanes, if you want to, we can work together and maybe contact the Administration and tell them how important this is, not to just us but to the operation of the Bank as well.

Senator SARBANES. Yes, I think that is very helpful. I mean, Mr. Grandmaison has been down there. He has done a good job, from all accounts, but he is out there in the wings, I guess, just waiting around, and we need a nominee for Ms. Foley. In fact, she is going

to have a hearing here very shortly. She has been nominated by the President to be the Ambassador to Hungary.

Chairman SHELBY. Senator Martinez, do you have any questions?

Senator MARTINEZ. No, sir.

Chairman SHELBY. Not of these nominees?

Senator MARTINEZ. Only to comment that I think Mr. Lambright is an eminently qualified individual, and I look forward to his confirmation.

Chairman SHELBY. Senator Dodd.

Senator SARBANES. Mr. Martinez is anxious to get to these Florida nominees.

Chairman SHELBY. Absolutely.

[Laughter.]

Senator MARTINEZ. It is a couple of friends from Florida who are here, sir, and I thought I would talk about them when the time came, but I am patiently awaiting.

Senator SARBANES. We understand.

Senator Dodd.

STATEMENT OF SENATOR CHRISTOPHER J. DODD

Senator DODD. Thank you, Mr. Chairman. I apologize getting here a little bit late, and as the Chairman and Senator Sarbanes know, I have a particular interest in how well the Export-Import Bank does. My spouse is a former Vice Chair of the Bank, Chief of Staff of the Bank.

Senator SARBANES. A very good one, too.

Senator DODD. And she had a wonderful experience; still raves and talks about the friendships she developed down there and what a terrific job this institution—I think one of the smallest if not the smallest of our Federal agencies; there may be a smaller one, but I am not aware of what it would be and just does a remarkable job. It is such a unique place and performs a very unique function. I mean, there are very few places where job creation really can occur, and the Bank has had some remarkable leaders over the years and is doing some very exciting things in environmental, small businesses, and making credit more available under difficult circumstances and been a real engine for growth and success.

And so, I bring a strong bias in support of this institution and on the few occasions I have had a chance to meet people at the Bank who have dedicated themselves with careers at the Bank and really made a wonderful contribution. And I just want to underscore what Senator Sarbanes and Senator Shelby have said here, and I intended to raise the same issue, and that is I know in the past, there have been Chairs who frankly would have probably preferred a smaller Board, maybe no Board at all in some cases, given the fact that boards can be unruly from time to time, and they do not necessarily all agree. And I know there are some heated discussions from time to time on whether or not a certain proposal should go forward or not.

But until we statutorily change, and that is a decision to make, and I am not sure we ought to, but that is a legitimate question, but in the meantime, we should try and fill these positions to have the full complement. And so, I would underscore what has been said and would join the Chairman and Senator Sarbanes in any

communication they might share with the White House or others about sending these names up. And I gather, in the case of Joe Grandmaison that there has been White House support for that decision. We just have not seen any documentation. At least I am led by the memos I have from my staff that that is the case, and if it is not the case, then, we should know that as well, but I underscore what Senator Sarbanes has said. I think the general impression I had was that Joe did a pretty terrific job at the Bank and really was very knowledgeable and tremendously helpful in his position as a Member of the Board.

So, I would hope, Mr. Chairman, that you could communicate however you want to communicate but add my voice to that communication as well.

Senator SARBANES. Absolutely.

Senator DODD. And it is important that we get people in place, and the Acting Chair is a new creation, I think, if I am not mistaken. There has never been an Acting Chair before. We either had a Chair or did not have a Chair.

Mr. LAMBRIGHT. I am not aware of a precedent for it.

Senator DODD. I think that is a precedent setting move. Creative, in a sense, I must say, and I understand why, but my hope would be that we would fill these seats as soon as we can.

Chairman SHELBY. Senator Dodd, you make an excellent point. We will work on that together.

Senator DODD. Thank you, Mr. Chairman.

Chairman SHELBY. Senator Allard.

STATEMENT OF SENATOR WAYNE ALLARD

Senator ALLARD. Mr. Chairman, I just want to follow up on one area. I just want to put a statement in the record.

Chairman SHELBY. Without objection, the full statement will be made part of the hearing record.

Senator ALLARD. And I just want to thank Mr. Lambright for taking on the responsibilities that he has already begun to assume and raise a question about how he is getting along with the Inspector General. You know, we reauthorized the Export-Import Bank, and during that deliberation, I pushed to have an Inspector General for the Export-Import Bank, because this is the only institution we had out there, as I understood it, that gave direct loans or gave loan guarantees that did not have an inspector general there, and I just wanted to know how you viewed your relationship with him and if that is helpful or not. Do you find him helpful at this particular point in time?

Mr. LAMBRIGHT. Well, since 2002 at the last reauthorization, this was the first fiscal year that we were appropriated funds for an Office of Inspector General.

Senator ALLARD. That is right.

Mr. LAMBRIGHT. And this is another position where we are waiting for a nomination for filling the spot.

Senator ALLARD. Another one of those vacancies, Mr. Chairman, that we maybe should visit, because the Inspector General is the eyes and ears——

Chairman SHELBY. The Administration needs to fill them, and we need to confirm them.

Senator ALLARD. Yes. It is the eyes and ears of this Committee and the Members of Congress, and we need to get the input, and we need to get him on board. So, I would encourage you and the Ranking Member, if you would, to also bring that up.

Chairman SHELBY. Absolutely.

Senator ALLARD. Thank you very much.

Do you think it is going to be helpful to you to have an Inspector General?

Mr. LAMBRIGHT. I think that there is a lot that an Inspector General would add to our operations. We have a strong system of internal controls with an Audit Committee currently, but we are already in the process of making preparations to receive the Inspector General and have a fully functioning Office of Inspector General as soon as possible.

Senator ALLARD. Thank you very much, Mr. Chairman.

Chairman SHELBY. Mr. Lambright, we appreciate your willingness to serve, and we will try to expedite this nomination. Thank you very much.

Mr. LAMBRIGHT. Thank you very much, Mr. Chairman.

Chairman SHELBY. We are going to call up the second panel, if you will take your seats.

[Witnesses sworn.]

Chairman SHELBY. Your written testimony will be made a part of the record. If you will just briefly sum up your testimony here this morning, and if you have any members of your family you want to introduce, you proceed.

STATEMENT OF ARMANDO J. BUCELO, JR., OF FLORIDA TO BE CHAIRMAN, SECURITIES INVESTOR PROTECTION CORPORATION

Mr. BUCELO. Thank you, Mr. Chair. With me today is my wife, Beatrice, and my son, Alex. Senator Sarbanes, if you remember, 4 years ago, I brought Alex as a 9-year-old before you.

Senator SARBANES. He has come back again; all right.

Mr. BUCELO. And you interrogated him as far as his baseball ability. He has won two batting titles since 2002.

Senator SARBANES. Good.

Mr. BUCELO. And he is glad to be back.

Chairman SHELBY. I think Senator Sarbanes has been waiting here. I mean, Senator Sarbanes has been waiting. Senator Martinez is really waiting.

[Laughter.]

Chairman SHELBY. Go ahead.

Mr. BUCELO. Would you like me to make my opening statement?

Chairman SHELBY. Yes, sir, you may proceed.

Mr. BUCELO. Mr. Chairman, Senator Sarbanes, Members of the Committee, I am pleased to appear before the Committee today as SIPC's Chairman. With me today is also SIPC's President Stephen Harbeck and SIPC's General Counsel, Josephine Wang. Not with me today is my daughter, Alexis. She is a 20-year-old graduate of the University of Miami. She will be entering law school next year and my son A.J. He is a 19-year, second-year student at Miami-Dade Community College, which is the largest college in the country and of which I am a trustee appointed by Governor Bush.

And if I may just take a second, also not with me today is my father. He is 87. He is not doing very well. I am eager to get back to him, and I just wanted to mention his name. Thank you very much.

It is an honor to serve as SIPC Chairman, and I look forward to a full term in that capacity. I joined the SIPC Board in 2002 as a Director and Vice Chairman, and since the appointment of SIPC's Chairman Tim Timken as Ambassador to Germany in late 2005, I have served as its Chairman.

I am very proud of my association with SIPC, Mr. Chairman, which, as we all know, serves to protect investors in the event of brokerage firm failures, as Senator Sarbanes previously mentioned. During the years I have served on the Board, I have had the opportunity to see for myself that this segment of the investor safety net is functioning very well.

A brief background of SIPC will be useful to the Committee in measuring how far investor protection has gone since SIPC's inception. In 1969 and 1970, as we all know, customer losses mounted as the rate of stockbroker failures accelerated. Congress responded by enacting the Securities Investor Protection Act, SIPA. SIPA had many purposes: Mainly to protect individual investors from financial hardship, to insulate the economy from the disruption which can follow the failure of a major financial institution, and obviously to achieve a general upgrading of financial responsibility requirements of brokers and dealers, to eliminate, as much as possible, the risks which lead to customer loss. SIPA also created SIPC at that time, and among other things, established procedures for liquidating financially troubled broker-dealers who are members of SIPC.

I am proud to report that SIPC is about to conclude the largest brokerage firm liquidation in its 36-year history. MJK Clearing Corporation was a prominent regional brokerage firm in Minneapolis that failed when a fraudulent stock loan scheme completely depleted its cash reserves. In the troubled period of late September 2001, that was before my time, SIPC and a trustee appointed to liquidate the firm returned control of customer assets to 175,000 customers in approximately one week. SIPC advanced $177 million in returned cash and securities to those investors. I am extremely pleased to report to the Committee that as the case comes to a close, as a result of rigorous litigation efforts to recover missing customers' assets, all customers, all creditors, all lenders and SIPC have been paid, Mr. Chairman, 100 cents on the dollar plus interest. SIPC's board and staff are very proud of this achievement. As the only attorney on the Board, I have come to appreciate the complexity of the legal issues that SIPC faces with regard to bankruptcy and securities law. I can report to the Committee that investors have benefited from SIPC's vigorous pursuit of those who are responsible for any particular brokerage firm failure.

I am also pleased to report at this time to the Committee that the regulatory system is preventing brokerage firm failure in the first place. Only one small brokerage firm failed in 2005. Only one small firm has failed this year. This is an incredible record. We attribute these outstanding results to the Securities and Exchange Commission, the State regulatory authorities, and the securities in-

dustry self-regulatory organizations that monitor, in fact, the financial health of the securities brokerage industry. As I noted in SIPC's 2005 Annual Report, investor confidence in the securities markets is enhanced when investors know that the brokerage firm failure is a rare event.

Our Board is committed to maintaining adequate resources to fulfill SIPC's statutory mission. SIPC's fund now stands at well over $1.3 billion, a historic high. As Chairman, I have initiated a Board-level Investment Committee to make sure that SIPC continues the prudent management of the fund. No taxpayers funds, I repeat no taxpayer funds, have ever been used in the SIPC program, and the Board continually monitors the adequacy of SIPC funding.

Investor education has been my number one priority since I have been Chairman. The statute that created SIPC is, by the very nature of bankruptcy and securities laws, a complex and technical law. We have also undertaken a continuing public interest media campaign to make sure investors know what SIPC protects, and equally important, Mr. Chairman, what it does not protect.

Finally, SIPC is preparing for the future and the inevitable problems we have not faced in the past. We have tested a business continuity program, complete with an emergency alternative work facility. We are also preparing for the possibility of brokerage firm failure that crosses international borders. SIPC has executed memoranda of understanding at this stage with its counterparts in Canada and the United Kingdom. Others will follow.

In summary, SIPC is very robust financially, fulfilling its statutory mission and preparing for the future. I am very pleased to be its Chairman, and I am honored to be here. Thank you.

Chairman SHELBY. Do you have any family members you want to introduce?

STATEMENT OF TODD S. FARHA, OF FLORIDA, TO BE MEMBER OF THE BOARD OF DIRECTORS, SECURITIES INVESTOR PROTECTION CORPORATION

Mr. FARHA. No, sir.

Chairman SHELBY. You can proceed as you wish.

Mr. FARHA. Good morning, Chairman Shelby, Senator Sarbanes, and distinguished Members of the Committee. My name is Todd S. Farha, and it is my pleasure to appear before you as a candidate for the Board of Directors of the Securities Investor Protection Corporation. I am honored to be nominated to serve on the SIPC Board and look forward to my public service if confirmed by the Senate.

I understand you have been informed of my background, so I will only highlight my qualifications and why I am pleased by the opportunity to serve on the SIPC Board of Directors.

I am a native of Wichita, Kansas. I received my bachelor's degree in economics magna cum laude from Trinity University and my MBA with distinction from Harvard Business School.

As you know, I am the President and CEO of WellCare Health Plans, headquartered in Tampa, Florida. WellCare is one of the largest providers of managed care services, targeted to government-sponsored healthcare programs, such as Medicare and Medicaid. We are pleased to be participating in the groundbreaking Medicare

Part D program, and with enrollment of over 800,000 Medicare Part D members today, WellCare now ranks among the top five prescription drug plans in the country, filling close to 100,000 prescriptions per day for Medicare beneficiaries in all 50 States.

I am pleased to have the opportunity to serve on the Board of Directors of the Securities Investor Protection Corporation. SIPC serves a vital role to strengthen investor confidence in our capital markets. SIPC has a demonstrated track record of recovering $14.2 billion in assets for an estimated 624,000 investors.

As a Board member, my priority is ensuring that SIPC remains focused on continuing to execute its mission. I will hold the organization accountable for the results of its efforts, and I will work closely with SIPC's management to support their continuing daily responsibilities. I know Chairman Armando Bucelo has made tremendous progress in advancing SIPC's mission during his tenure, and I would look forward to working with him to continue this progress.

As the CEO of a public company, I have experience in issues of corporate governance, compliance, public disclosure, and Sarbanes-Oxley implementation. I take seriously all aspects of these responsibilities and the need to ensure the utmost discipline and integrity in every area of corporate governance.

I seek your support of my nomination to the Board of Directors of SIPC. If confirmed, I believe my experience as a CEO of a public company as well as my prior experience and education, will prove valuable to SIPC.

Thank you very much, and I look forward to answering any questions or clarifying any comments I made.

Chairman SHELBY. Thank you.

We will start with you, Mr. Bucelo. The Securities Investor Protection Act, the 1970 legislation that created the Securities Investor Protection Corporation, has been substantially amended only once, in 1978. In your estimation, does the Act need to be modernized or amended in any way, or do you want to withhold that?

Mr. BUCELO. At this time, Mr. Chairman, I do not believe that there is any need for any major legislative changes. We are in direct conversation; as a matter of fact, I will be meeting with Chairman Cox on Friday.

Chairman SHELBY. Good.

Mr. BUCELO. There are a few issues that are pending on the table, but at this time, there is nothing as far as any major changes.

If I may also at this time report to Senator Sarbanes, 4 years ago, your marching instructions to me, sir, were to make sure that SIPC was adequately funded, and we are. As a matter of fact, what we have done is made it a topic at virtually every SIPC Board meeting since I appeared before you in 2003 after the most expensive brokerage firm failure, the one I previously mentioned. Senator Sarbanes, SIPC commissioned, the latest in a long series of independent studies, and that study concluded that a loss in excess of $500 million is expected once every 100 years. Using what they call the Ruin Theory analysis, an early study indicated that there was a 1 in 40,000 chance that SIPC would not have sufficient funds. We now have a commercial line of credit of $1 billion, plus

the backing of the Federal Government of $1 billion, so we are okay. We feel very confident. And I know you made it a point, Senator Sarbanes, 4 years ago to make sure that I did that as then-Vice Chairman.

Chairman SHELBY. It is very important.

Mr. BUCELO. Yes, I think it is incredibly important.

Chairman SHELBY. The number of brokerage firm liquidations are at an all-time low. You have only had one customer protection proceeding this year is my understanding.

Mr. BUCELO. That is correct, sir.

Chairman SHELBY. There were only two last year and one in 2004. In your view, why have there been so few?

Mr. BUCELO. I do not know, and I really do not want to know. [Laughter.]

Chairman SHELBY. That is good news.

Mr. BUCELO. That is very good news. When I became a member of the Board 4 years ago, I was Acting Chairman for a number of months pending the confirmation of Chairman Timken, I insisted that one of my major goals as Vice Chairman was to make sure that the public was well-informed. And again, when I was appointed to the Board of SIPC, in Miami, people said you received a Presidential appointment. They said what to? SIPC. What was that? I mean, a lot of people know the FDIC. The answer is I believe we are informing the investor, and based on that, we are proud to report that we have only had one case this year.

Chairman SHELBY. That is wonderful. The Corporation's financial health appears to be strong. Are there any challenges or potential problems that you know about that may lay ahead and that we need to know about?

Mr. BUCELO. No, sir, none, Mr. Chairman.

Chairman SHELBY. Some people have suggested that the fund should also be allocated to cover fraud at brokerage firms. The classic example would be a pump-and-dump case. What is your view regarding the Securities Investor Protection Corporation reimbursing investors for market losses?

Mr. BUCELO. There are strong arguments against protecting against fraud. The first thing that comes to my mind when I hear fraud is a stockbroker with a potential victim saying go ahead and do it; invest here and there, and if anything goes wrong, SIPC will pay for it.

Chairman SHELBY. That is right. It could be open-ended, could it not?

Mr. BUCELO. That is right, it could open up a Pandora's box. Irrespective of the fact that it would need Congressional authorization, I would never recommend that.

Chairman SHELBY. I did not suggest that. I just asked about it.

Mr. BUCELO. Oh, okay.

Chairman SHELBY. Yes, sorry.

Mr. BUCELO. Yes, I think definitely, Congress should not make any change without considering the policy concerns and costs, and I am very concerned, so my gut feeling would be no.

Chairman SHELBY. I have several questions, one question for you. To fund the operation, 6,000 members pay a flat annual fee of $150 is my understanding. This has been the funding arrange-

ment since 1996. But over 25 years prior to that, the Corporation had assessed fees on a sliding scale based on net operating revenues. Why should the smallest broker-dealer pay the same fee as the large Wall Street firms? Just a question.

Mr. FARHA. Mr. Chairman, a very good question and one that I will not represent that I am expert in. I have been briefed by the SIPC leadership team on the general issues regarding SIPC. I think your question exposes an interesting issue that perhaps we should evaluate at SIPC and determine if a sliding scale is appropriate based on whatever study——

Chairman SHELBY. I do not know myself, but I just suggest to you that you should maybe look at it.

Mr. FARHA. Clearly merits evaluation and a very good question.

Chairman SHELBY. Senator Sarbanes.

Senator SARBANES. Thank you very much, Mr. Chairman.

Mr. Bucelo, how long have you been Chairman now?

Mr. BUCELO. Since Chairman Timken was appointed Ambassador to Germany; late 2005.

Senator SARBANES. How long was there a vacancy in the Chairmanship? Do you recall?

Mr. BUCELO. When I became a member of the Board of Directors, and I was appointed Vice Chairman, I was Acting Chairman for about 7, 8 months pending the confirmation of Chairman Timken.

Senator SARBANES. Right.

Mr. BUCELO. Then, Chairman Timken was made U.S. Ambassador to Germany in late 2005, at which time, I became Acting Chairman. And then, I was nominated by President Bush and made Chairman.

Senator SARBANES. In a relatively short period of time?

Mr. BUCELO. Yes, yes, Senator.

Senator SARBANES. I am relieved to hear that. I do not like these positions being in a floating status.

Mr. BUCELO. No, sir.

Senator SARBANES. I do not think it is good for the workings of the institution.

Mr. BUCELO. No, sir.

Senator SARBANES. The GAO, in a 2004 report, concerning the Securities Investor Protection Corporation, stated that the SEC, and I am now quoting the GAO, "found that SIPC had inadequate internal controls over the fees and expenses awarded to trustees and their counsel."

And then, the GAO added, to address SEC's concerns, SIPC is in the process of enhancing its controls for reviewing and assessing fees. Now, obviously, these internal controls are important for any organization. How have you progressed on this concern expressed by the SEC? This is now not quite a couple of years ago.

Mr. BUCELO. Although not personally involved as a member of the Board, I know for a fact that President Harbeck and the entire administration has thoroughly looked into that, and I know that changes have been made, and as far as I am concerned now, we are back on track, and not that we ever deviated, in my opinion, but they had some concerns, and we addressed them.

Senator SARBANES. If you could go back, I understand that you have instituted a number of changes with respect to this which

have tightened up your procedures, but given that the GAO raised this concern in its report, if you could go back and take another look at this, we would appreciate that.

Mr. BUCELO. We will do so.

Senator SARBANES. I am not going to go into this proposal that SIPC submitted to raise compensation of its Board Members. That has been withdrawn, as I understand it.

Mr. BUCELO. That is correct, Senator.

Senator SARBANES. It does, however, lead to a question about the salaries that are being paid to the SIPC employees, which are, I think it is fair to say, fairly high-end, and how much attention is the SIPC Board paying to these compensation levels?

Mr. BUCELO. Very much so, and——

Senator SARBANES. When you compare it with the SEC, it is quite a contrast, actually.

Mr. BUCELO. The SIPC staff contains a high degree of specialized professionals, in my opinion, and they definitely discourage a revolving door type of procedure in and out. We have had employees there for—well, our President has been there close to 30 years. And they benefit—I believe SIPC benefits from the lengthy tenure of these professionals.

I am of the opinion—this is one voice speaking—that salaries are definitely below those in the private sector and in some instances substantially less than other financial services professionals in government, and as such, we did a little bit of a study, and if you will, for example, the Municipal Securities Rulemaking Board, its executive makes—it is a package in excess of $1 million; the ABA Securities Association, same thing, American Bankers Association.

So in order for us, Senator Sarbanes, to keep the level of professionalism and competency that we have, I sincerely and truly do not believe that we are overpaying anybody. As a matter of fact, I think, for example, you take our highest, the CEO, our President, his salary is under $300,000, which I believe is not competitive at all. He has a full package of approximately $400,000, which, I believe, is quite low when you compare it to the NASD and other institutions comparable to SIPC.

But nevertheless, we as a Board do in fact regulate that and keep an eye on it, and I will do whatever you indicate me to do as——

Senator SARBANES. It is always a challenge, and I think you have outlined it fairly well, the balancing act that has to take place.

Mr. BUCELO. That is correct.

Senator SARBANES. So, I do not think we can ever anticipate that the salaries in the public sector will reach those that exist in the private sector, particularly in the financial sector.

Mr. BUCELO. That is correct.

Senator SARBANES. Actually, a lot of concerns are now being raised about the private sector compensation.

Mr. BUCELO. Yes, sir.

Senator SARBANES. Every day, you read the business section of *The Wall Street Journal* or *The New York Times*, there is another major story on that issue, but I think it is important for the SIPC Board to keep this matter in focus.

Mr. BUCELO. We do.

Senator SARBANES. I wanted to just ask one question: How old were you when you came to the United States from Cuba?

Mr. BUCELO. 1960—my God, I am so old now; 3, 4 years old.

Senator SARBANES. All right; well, you have had a very impressive life story, and I mentioned that before when you were here.

Mr. BUCELO. Yes, thank you; I appreciate that.

Senator SARBANES. I wanted to recognize my respect for you.

Mr. BUCELO. Coming from you, it is an honor.

Senator SARBANES. Mr. Farha, I want to put just one question to you. I am drawn to do so. It is like a dangling bait before a fish or something.

[Laughter.]

Mr. FARHA. Thank you, Senator.

Senator SARBANES. You say in your statement as the CEO of a public company, I have had experience in issues of corporate governance, compliance, public disclosure, and Sarbanes-Oxley implementation. How has your experience been with Sarbanes-Oxley implementation?

[Laughter.]

Mr. FARHA. Absolutely.

It is interesting: We took our company public in 2004, so that makes us a relatively young New York Stock Exchange-listed company, and the process of complying with Sarbanes-Oxley, and in our first year, we did fully comply with no reservations from our auditors, which we thought was quite an accomplishment; I think it had a number of positive impacts on the company. It enhanced our focus on process and internal controls and processes for managing and verifying those controls.

And I mentioned that I take very seriously the compliance, and quite frankly, as I sign the reports that are required under your Act, I do so with the cognizance of the liability that it creates. So, I think it has been a definite positive on our company. I would mention to you that the cost of compliance is meaningful, both in terms of our auditors as well as other professional staff, but I think a balanced approach would clearly say it has had a positive impact on the company.

Senator SARBANES. Okay; and I guess the costs are in some respects like an investment in capital goods. I mean, once you put the systems in place and everything, it is, I guess, reasonable to assume in subsequent years, the costs will not run at that level; is that a fair assumption, do you think?

Mr. FARHA. In fact, that is an accurate assumption, and as we have gone through our recent Audit Committee, the hours of our auditors allocated for year two review of our 404 compliance are reduced. So, I think your statement is definitely accurate.

Senator SARBANES. Okay; thank you very much. I appreciate that.

Chairman SHELBY. Senator Martinez? I want to know who got here first.

Senator MARTINEZ. I think I did. I was older when I got here, first of all, I should say.

Mr. BUCELO. He is a lot older.

[Laughter.]

Senator SARBANES. The Committee is obviously going to have to look into this Florida monopoly of this SIPC Board.

[Laughter.]

I think that is a question for us and not for you.

Senator MARTINEZ. But I am delighted to be here to welcome these Floridians to the Committee and very honored to have an opportunity to speak on both of their behalves, Mr. Chairman. I am not going to have a lot of questions for them. I am basically here to say how pleased I am as the Senator from Florida that we have these dedicated people who offer themselves to public service. I am particularly impressed with Mr. Farha's comments on Sarbanes-Oxley; well done, sir.

But Mr. Bucelo and I share a common background, as Senator Sarbanes indicated, and a shared bond of our life experience as Cuban-Americans making it in this wonderful land. And so, I am very pleased and proud to welcome him here. He is someone who also shares a legal background, which we both have, he as a Miami Hurricane and me as a Florida State Seminole, but nonetheless——

Chairman SHELBY. You are friends other than that.

Senator MARTINEZ. Other than that, we get along very well.

I was recently at Miami-Dade Community College. You mentioned being on the Board, and this is one of the many community activities that I know Armando is a part of and a remarkable college and a great institution that is serving the community so well. And so, I am just delighted, Mr. Chairman, to welcome him here. I know he has done a great job in his Vice Chair position; will do equally as well in the future, and Alex, I am proud of your batting prowess, buddy. I may have to get you with Andrew, who is 12 and cannot hit the curve ball. But anyway.

[Laughter.]

Mr. BUCELO. Neither can he.

Senator MARTINEZ. Todd Farha is a good friend and also someone who I believe is a very innovative person in the area of health care. I am so glad, Todd, that you mentioned your involvement with Medicare Part D and the success that you have had in implementing that. His company is innovative in the managed health care area in Tampa, Florida; very strong and rising entrepreneur in our State and someone that we also have a lot of pride in his contributions to our State. So, I am delighted that they are both going to be serving in this capacity and very pleased to be able to welcome to the Committee and look forward, Mr. Chairman, to a swift vote on their nominations and again, a confirmation in the full Senate in the near future.

Mr. FARHA. Thank you, Senator.

Mr. BUCELO. Thank you, Senator.

Chairman SHELBY. Mr. Farha, did you start this company?

Mr. FARHA. No, I acquired it as a leveraged buyout in 2002.

Chairman SHELBY. And you are doing well with it.

Mr. FARHA. Thank you very much.

Chairman SHELBY. What we need in health care is more competition and I hope ultimately some market forces involved.

Mr. FARHA. Absolutely. Thank you, Senator.

Chairman SHELBY. We thank you both for appearing. We will try to expedite your nominations as soon as possible. And we feel good about your nominations.

Mr. BUCELO. Thank you, Mr. Chairman.

Mr. FARHA. Thank you, Mr. Chairman.

Chairman SHELBY. We are going to call up the third panel if we can: Jon Rymer, Inspector General-designee, Federal Deposit Insurance Corporation; John W. Cox, Chief Financial Officer-designee, Department of Housing and Urban Development; William Hardiman, Member of the Board of Directors nominee, National Institute of Building Sciences.

[Witnesses sworn.]

Chairman SHELBY. Mr. Rymer, we will start with you. I will tell all of you that without objection, all of your written testimony will be made part of the hearing record, and if you will just briefly sum up what you basically want to say; before then, if you have any family members you want to introduce, you may. Mr. Rymer, we will start with you.

STATEMENT OF JON T. RYMER, OF TENNESSEE, TO BE INSPECTOR GENERAL, FEDERAL DEPOSIT INSURANCE CORPORATION

Mr. RYMER. Thank you, Mr. Chairman. I would like to introduce my wife, Deb, and my son, Thomson, who are with me here today.

Chairman SHELBY. I think that is always wise to introduce your wife.

Mr. RYMER. Yes, sir, it is, absolutely. And sir, you do have my opening statement and I would like to include it in the record.

Chairman SHELBY. It has been made a part of the record.

Mr. RYMER. And so, I will forego that and be prepared to answer any questions you may have, sir.

Chairman SHELBY. Thank you.

Mr. Cox.

STATEMENT OF JOHN W. COX, OF TEXAS, TO BE CHIEF FINANCIAL OFFICER, U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Mr. COX. Yes, sir, Mr. Chairman, I am happy to introduce my wife, Sally.

Chairman SHELBY. Absolutely. You all are smart men.

Mr. COX. And my daughter, Kate. I also have my mother and father.

Chairman SHELBY. Point them out to us, your wife here and your daughter.

Mr. COX. My daughter, Sally.

Chairman SHELBY. Good.

Mr. COX. I also have my mother and father from Texas.

Chairman SHELBY. Absolutely.

Mr. COX. And my in-laws here are from Virginia.

Chairman SHELBY. That is good.

Mr. Cox, do you have anything to say other than your opening statement?

Mr. COX. No, sir, I do not.

Chairman SHELBY. Okay; Mr. Hardiman, do you have any family here?

STATMENT OF WILLIAM HARDIMAN, OF MICHIGAN, TO BE MEMBER OF THE BOARD OF DIRECTORS, NATIONAL INSTITUTE OF BUILDING SCIENCES

Mr. HARDIMAN. I do not, Mr. Chairman.

Chairman SHELBY. You will pay for that later, will you not?

Mr. HARDIMAN. I probably will. I do acknowledge that my wife is such an important part of my life.

Chairman SHELBY. Absolutely.

Mr. HARDIMAN. But she could not make it today.

Chairman SHELBY. Sure.

Mr. Hardiman, do you have any oral statement? Your written statement will be made a part of the record?

Mr. HARDIMAN. Thank you, Mr. Chairman. I just want to say that I am just honored to be here. It is really a pleasure. I serve in the Michigan State Senate, so I do understand that brevity is——

Chairman SHELBY. That is where I started, too, in the Alabama Senate.

Mr. HARDIMAN. Oh, wonderful.

Chairman SHELBY. Good experience.

Mr. HARDIMAN. Maybe there is hope for me as well.

Chairman SHELBY. You will be here if you want to be. Maybe you will go into other things.

Mr. HARDIMAN. Thank you.

I do want to say that I am honored to be appointed by President Bush to serve on the Board of Directors for the National Institute of Building Sciences. You have seen my background. I think I have some things to add to the Board.

Chairman SHELBY. Absolutely.

Mr. HARDIMAN. And I would be pleased to answer any questions you have.

Chairman SHELBY. We like all of these nominees. We want to move them as soon as we can, but we have to do our duty up here to go through. Mr. Rymer, I have several questions here for you, if I could for the record.

Mr. RYMER. Yes, sir.

Chairman SHELBY. In your view, what is the appropriate relationship of the Inspector General to the FDIC, and how does the Office of the Inspector General contribute to the safety and soundness of the banks the FDIC regulates?

Mr. RYMER. A two-part question, sir, and I would answer it this way, the first of which is that the relationship between any Inspector General, the Board, and the Chairman is one of advice. I mean advice in the sense that the IG must maintain a significant degree of independence from policymaking and direct activities within that organization.

And, a successful IG has to be viewed as a part of the leadership team. So as policies are developed, they can be developed in such a way that they address any potential risks that may be associated with the new policy and that those risks are identified and the policies modified as needed.

Chairman SHELBY. Absolutely. Your professional experience includes the Army, an accounting firm, and several banks. You have a good background. Can you elaborate on how these past experiences will contribute to your effectiveness as Inspector General?

Mr. RYMER. Yes, sir, certainly. I began my career, and the majority of my civilian career, as a banker, and spent about 16 years in positions of increasing responsibility. I understand how banks operate. I understand the interface between a bank or bank executives and a regulatory body, particularly such as the FDIC.

I understand that the cooperation of banks is critical for the FDIC to complete its mission, so the fact that I bring that banking experience, I think, is very important. The other thing is as a banker, I spent a significant amount of time dealing with customer issues, fairness issues, and how a bank would interface with its customers, so I am very aware of the role that the FDIC plays in upholding consumer rights as they use financial services.

Second, I would say that obviously, my experience as an auditor with a Big Four accounting firm was very valuable and that all of my audit experience was focused in the financial services community, large banks down to small thrifts and savings and loans. I spent a lot of time there understanding credit policy as it was developed, and as you are well aware, Mr. Chairman, if the FDIC experiences problems with a member bank, it will inevitably start with credit. So, I have spent a great deal of time auditing credit processes in banks.

And then, last, I think what I have learned as a soldier is the discipline and the pride and the honor in serving the United States. That is why I decided rather than to go back into public accounting, with the Senate's approval, sir, I would like to continue my Government service as an Inspector General.

Chairman SHELBY. Do you anticipate any specific challenges in your office as Inspector General?

Mr. RYMER. Well, sir, from what I can see, from the public information I have reviewed, I see no specific challenges. I think any new manager or leader has a responsibility to evaluate programs once he or she assumes office, whether it is funding levels, staffing levels, organization structure, but at this point, sir, I am not aware of any specific problems.

Chairman SHELBY. In its April 2006 audit report just a few weeks ago, the Office of Inspector General noted certain deficiencies in the methods employed by the FDIC to calculate the reserve ratio of the Bank Insurance Fund. Accurate reporting of the reserve ratio is basically essential to ensure the continued viability of the insurance fund, which we deal with here. Are you aware of this report, and if you have not been, will you get into it and its recommendations? Where are you on that?

Mr. RYMER. Yes, sir, I have read the report as published on the OIG's Website. As I would summarize the report as an auditor, I would view the issue that the report raises as one of significance of decisions or degree of governance: Should that decision to have basically not changed the calculation method for Oakar deposits come before the full Board or not, and I think as an outsider——

Chairman SHELBY. It is a very important area.

Mr. RYMER. Yes, sir. I think as an outsider, it probably should have received more Board attention than it did.

Chairman SHELBY. You will look into it seriously, though.

Mr. RYMER. Yes, sir, I will.

Chairman SHELBY. Mr. Cox, financial controls.

Mr. COX. Yes, sir.

Chairman SHELBY. GAO has stated that HUD's financial management systems cannot currently provide the day-to-day information needed by its managers to effectively manage and to monitor the Department's programs. A lot of us believe it is critical that HUD have reliable financial and accounting systems. It is key. Are you familiar with the problems confronting HUD's financial management systems, and have you faced or resolved similar systems probably in your previous private sector experience?

Mr. COX. Yes, sir, I have. I have reviewed those issues in the GAO reports and been briefed by the staff at the Department.

Chairman SHELBY. That is a big challenge there.

Mr. COX. It is a very big challenge. My experience in the private sector dealt very much with these similar type of issues, and taking large, complex IT environments, many of which are ancient in terms of their technology, and bringing them into a common standard; the Department is close to making an acquisition decision on bringing that up to speed with a common, off the shelf technology solution, which they have already successfully implemented at FHA. I am very comfortable that my experience, I can help them guide through that if I am confirmed.

Chairman SHELBY. FHA's single family mortgage insurance is the subject. GAO has for some time considered FHA single family mortgage insurance a high risk to the Federal Government, to the taxpayers.

Mr. COX. That is right.

Chairman SHELBY. For instance, GAO has stated that, "HUD's system for rating the underwriting quality of loans does not adequately assess the risks that the loans pose to the agency's insurance fund."

With the Administration's proposing to expand the range of its current underwriting, some of us are concerned that HUD is moving forward without knowing the real risk posed. Have you had the opportunity to discuss with FHA's underwriting standards and assure that the program's true risk is reflected on HUD's financial statements? I think it has to be stated some way.

Mr. COX. Yes, sir, I have, and clearly, I am not on board yet, and if I am confirmed, I will be very much involved with that issue, but what I can tell you is that for the current fiscal year, it is my understanding that the estimation of the loan loss reserves is very close to the actual experience. So the actuarial work that has to be done to estimate that, there have been improvements made in those models in the current year, and we will continue to make improvements there. And as you said, with the current FHA proposals on the table for a risk-based premium, that has to be part of that mix as well.

Chairman SHELBY. I am concerned that HUD's current acquisition practices leave the Department vulnerable to theft and to fraud. For instance, GAO has reported that HUD lacks adequate

supporting documentation and effective controls over its computer purchases. GAO found that HUD did not consistently report purchases or even inspect the quantity or quality of its purchases. I know you are not there yet. Are you aware of any of these deficiencies? And if so, what is your plan to get your hands around that?

Mr. COX. Yes, sir, I have actually been briefed on that specific topic, and there are specific control mechanisms in place. The Office of Administration at HUD now specifically has a plan of internal control to monitor those physical assets. So we have made improvements since that report was issued.

Chairman SHELBY. If you can do that, you will do a great job for the country.

Mr. COX. Thank you.

Chairman SHELBY. Improper payments subject.

I believe it is also vital in all of HUD's program that payments, be they to local governments, housing authorities, or contractors, be accurate and timely. Congress took a major step in addressing this problem in 2002 with the Improper Payments Information Act. In the past, HUD has had considerable errors in its payment systems, particularly with the Section 8 Rental Assistance program. Are you aware of this issue, and what are some of the methods that you used in the private sector to guarantee that payments were accurate and timely? I think it is just financial management.

Mr. COX. It is good management, and I am actually pleased to tell you that from the period of 2001 to 2004, HUD reduced its estimated improper payments by 62 percent and was the first cabinet-level agency to report green on the President's——

Chairman SHELBY. But you can reduce it more, I hope.

Mr. COX. Absolutely; 62 percent means I have still got 38 percent out there that needs to be reduced. I will use my private sector experience to reduce those payments. One thing we are doing, particularly, you mentioned Section 8, is we are involved in income verification. That has had a big impact on reducing improper payments, and there is more work to do, some of which we can do at the Department; some of which may require some legislative fixes.

Chairman SHELBY. A lot of that is bordering on fraud, too, is it not?

Mr. COX. That is right. But having the income verification through the HHS systems allows us to prevent that fraud before it occurs.

Chairman SHELBY. If you could bring some of the basic, fundamental private sector systems to HUD, you will be doing a great service to the taxpayer.

Mr. COX. I will do my best, sir.

Chairman SHELBY. Federal financial management improvement.

It has been 10 years since Congress passed the Federal Financial Management Improvement Act, which requires an agency's underlying financial systems and individual financial transactions to meet Federal financial standards. This past September, GAO reported that HUD's external auditor concluded that HUD is still not compliant with the Act's requirements. Are you aware of HUD's current lack of compliance on a transactional level?

Mr. COX. I am aware of that, and that is part of the IT projects that we are working on.

Chairman SHELBY. Do you believe the relation to have a strong accounting or transaction base in relation to the overall accuracy of the agency's financial statements? In other words, you have to have accuracy here.

Mr. COX. Absolutely, and more importantly, you have to have that information so the program heads can use that information to run the Department.

Chairman SHELBY. Thank you, Mr. Cox.

Mr. Hardiman, disaster-resistant construction: I am not sure whether you had an opportunity to visit the Gulf States, Alabama, Florida, Louisiana, Mississippi, and, of course, Texas. One thing that continues to strike me is that newer structures often withstand natural disasters when the older structures do not. It depends on the standard of building, I suppose. What role do you see by the NIBS, which is very important, I think, having in developing safer, more disaster-resistant building technologies?

Mr. HARDIMAN. Mr. Chairman, I have not visited the Gulf States since the hurricane, but I have prior to that. But I believe my experience in the past—I served as mayor of a very fast growing community prior to going to the Senate. I believe that experience will help me in working with not only the building trades but also engineers and architects. We work with all of them to build safe structures.

Chairman SHELBY. It basically pays to build strong structures.

Mr. HARDIMAN. Absolutely.

Chairman SHELBY. It is just common sense.

Mr. HARDIMAN. So, I think we have to work together and listen to each other. I think that is going to help us move a long way in making sure that our structures are safe and that our regulations are obeyed but something that can be obeyed by the building trades.

Chairman SHELBY. Community partnerships.

Mr. HARDIMAN. Absolutely.

Chairman SHELBY. As you are very aware, building regulations are almost exclusively decided at the local or State level. Hence, much of the important research conducted at NIBS is dependent upon adoption by the State and local governments. I believe that your own experience as a mayor, public sector at the State and local level, can increase this collaboration, because you understand, you have been where it works or does not work.

Mr. HARDIMAN. Absolutely.

Chairman SHELBY. Would you share with the Committee any insights that you have as a locally elected official and serving as one that could increase this level of collaboration or understanding between the NIBS and the local governments?

Mr. HARDIMAN. Absolutely, Mr. Chairman.

As I mentioned, I served as Mayor of Kentwood for about 10 years, and that was one of the fastest growing cities in the State of Michigan. Many times, I saw that some of the officials had one opinion, and the builders, architects, had another. And I believe that my ability, and I love doing this, of drawing people together, let us sit down and talk this through and work on a better solution

was very helpful in meeting the demands not only of the market but also meeting the safety demands that government should really enforce. And so, I would love to take that same type of bridge building to the National Institute of Building Sciences.

Chairman SHELBY. Another important concern is seeing that the opportunity to own a home is available to all Americans. We all think that is important. One of the obstacles to homeownership for many families is simply the high cost of housing today. Part of this high cost is sometimes driven by land use regulations. What role do you see for the National Institute of Building Sciences in helping to reduce some of the regulatory burden placed on home construction to moderate the high cost of construction materials? How can we make some progress there?

Mr. HARDIMAN. I really believe that sometimes, there are regulations that are promulgated that may be good in someone's eyes, but sometimes, they are not necessary. Sometimes, the regulators do not realize what it does to the cost of housing, and without that communication, that public-private partnership, they are certainly not perhaps working out a better way to bring about the safety but keep the costs down. So once again, I think that having a meeting of the minds, bringing people together is a good way to try to do that.

In Kentwood, we looked very hard at land use, obviously, because we are a growing city. And I think we had a wonderful master plan, which we executed. But we also worked very hard to avoid unnecessary regulations. I remember being approached by the homebuilders about a change in the regulation in the width of a stairway that was put into one of the series of regulations, and we took a good look at it, realized that the cost that it would have to all homeowners or home purchasers, and made a change but still had very safe housing.

I think having that dialogue is very important, and I would work to do that if confirmed by the Senate.

Chairman SHELBY. Let me get into disaster modeling with you just a little. In addition to building technologies, the National Institute of Building Sciences also helps develop technologies to estimate the impact on natural disasters. One of these projects is the NIBS Multi-Hazard Loss Estimation Model. This technology could help localities plan appropriate mitigation activities in order to reduce the future losses from natural disasters.

Could you share with the Committee some of the activities you witnessed at the local level in terms of disaster mitigation? I know you are not coming from the hurricane area. You might have tornadoes up in Michigan; I am not sure. Are there additional tools that could be developed by NIBS which could help communities plan for natural disasters?

Mr. HARDIMAN. Mr. Chairman, I believe that various regions have different threats, and certainly, we do have those in Michigan as well, and there are those threats all across the United States. I believe a real key is utilizing the information that is available, and certainly, the National Institute of Building Sciences provides good information that can help municipalities. But I also believe that a key, and we did this in Kentwood, was we would go through and exercise every year to make sure that we were prepared. And

then, the key is to execute, once there is a disaster, and I believe that emphasizing that, emphasizing the communication between the State, the county, and the local governments as well as the Federal Government in making sure that that will be executed when there is a disaster is also very key.

Chairman SHELBY. That is good.

Gentlemen, I do not have any other questions. We have two votes coming up on the Senate floor. I appreciate your appearance. I appreciate your willingness to serve. It is a great honor, and we will try to expedite your nominations out of the Committee to the Senate floor as soon as possible. The hearing is adjourned.

[Whereupon, at 12:05 p.m., the hearing was adjourned.]

[Prepared statements, biographical sketches of nominees, and additional material supplied for record:]

PREPARED STATEMENT OF SENATOR WAYNE ALLARD

I would like to thank Chairman Shelby for convening the Committee this morning to consider pending nominations. I appreciate the opportunity to learn more about the nominees' backgrounds, as well as their intentions for their agencies.

First, I would like to welcome James Lambright, who is nominated to be President of the Export-Import Bank. With this Committee currently considering reauthorization of the Export-Import Bank, it is especially important to have strong leadership in place, and his experience will be helpful.

Next, I would like to welcome Armando Bucelo and Todd Farha, both of whom are nominated to the Board of Directors of the Securities Investor Protection Corporation. The Securities Investor Protection Corporation has recovered $14.2 billion in assets for 624,000 investors when brokerage firms closed due to bankruptcy or other financial problems.

Finally, I would like to welcome our third panel, comprised of Jon Rymer, nominated to be the Inspector General for the FDIC; John Cox, nominated to be the CFO for HUD; and William Hardiman, nominated to be on the Board of Directors for the National Institute of Building Sciences. As Chairman of the Housing Subcommittee, I am particularly interested in the position of CFO at HUD. HUD administers billions of taxpayer dollars, and I have been concerned by the length of time that this key position has remained vacant.

Our nominees bring outstanding private sector credentials to their positions, and I appreciate their willingness to enter or remain in public service. I encourage them to remain focused on results and outcomes, rather than processes. I look forward to your testimony.

PREPARED STATEMENT OF JON T. RYMER

INSPECTOR GENERAL-DESIGNATE
FEDERAL DEPOSIT INSURANCE CORPORATION

MAY 16, 2006

Chairman Shelby, Ranking Member Sarbanes, and Members of the Committee, it is my great honor to have been nominated by President Bush for the position of Inspector General (IG) of the Federal Deposit Insurance Corporation (FDIC). I am privileged and humbled by the opportunity to appear before this Committee today. I would like to thank the Members of the Committee and their staffs who met with me as I prepared for this hearing. I would also like to thank former FDIC Chairman Powell for his expression of confidence in me. Finally, and importantly, I want to acknowledge and offer my heartfelt thanks to my wife and son for their commitment and support during my career.

Mr. Chairman, as you and the Members of the Committee are well aware, the responsibilities of Inspectors General are defined by the Inspector General Act of 1978, as amended. This Act requires all Inspectors General to supervise and coordinate audit and investigative activities; prevent and detect fraud and abuse in agency programs; and make recommendations to senior management aimed at improving the economy, efficiency, and effectiveness of programs and operations. Additionally, the Inspector General at the FDIC investigates fraudulent activities associated with FDIC-supervised institutions, federally insured financial institution failures, and the recovery of assets after insured institutions fail. The FDIC IG is also responsible for keeping the Congress, the FDIC Chairman, and the Board of Directors informed of problems and corrective actions within the Corporation. If confirmed, I will use my experience as a banker, an auditor, and a soldier to fulfill these responsibilities to the best of my ability.

As a banking executive, I have held leadership roles in projects and activities ranging from running major business units to mergers and divestitures, systems conversions, and business and strategic planning. Along with many of these positions came management and leadership responsibilities for hundreds of employees.

During my years with a big four accounting firm, I provided services to scores of banking clients on matters of process improvement, assurance processes, and internal auditing. My clients ranged from international banks to community banks, thrifts, and credit unions. As a result, I understand banking operations and am familiar with the concerns of bankers and customers alike.

I also take pride in my 25 years of service in the active and reserve components of the U.S. Army. I have learned that it is a special privilege and honor to serve

the United States. I have also learned that it is a serious duty requiring vigilance and integrity.

I appreciate the vital role that the FDIC plays in insuring deposits and helping ensure the safety and soundness of our banking system. I am also keenly aware of the growing globalization and complexity of the financial services industry, the importance of protecting consumers, and the many challenges and potential threats to the stability of the banking system. If confirmed, I will capitalize on my past experience and commit to providing the strong, independent oversight of the FDIC envisioned by the IG Act. I will also look forward to working with the Congress and the other leaders of the FDIC to preserve the public trust and confidence in the banking system that has endured since the Corporation's creation in 1933.

In closing, Mr. Chairman, I thank you and the Members of the Committee again for allowing me to appear here today. This concludes my prepared statement. I would be pleased to respond to any questions that you or other Members of the Committee may have.

PREPARED STATEMENT OF JOHN W. COX

CHIEF FINANCIAL OFFICER-DESIGNATE,
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

MAY 16, 2006

Chairman Shelby, Senator Sarbanes, and distinguished Members of the Committee, my name is John Cox. I thank you for the privilege to appear before the Committee today as it considers my nomination to serve as Chief Financial Officer of the U.S. Department of Housing and Urban Development. I want to thank you and all the Members of the Committee and your staffs who have met with me over the past weeks.

I would like to thank President Bush and Secretary Jackson for giving me the opportunity to serve our country. I am humbled and honored by this appointment. Second, I want to thank my family, many of whom are here today. I want to recognize my wife Sally and daughter Kate who have been very supportive of me in this process. I want to also recognize my mother and father, Jo and Wallace Cox. We are blessed to have other family members and friends who have traveled to be here today.

My great-grandparents moved to Texas in the late 1800's. They were sheepherders and lived first in a dirt dugout. They moved to my hometown of Haskell, Texas and purchased a home in the early 2000's. My grandfather purchased his first home for $2,500 in the late 1920's. I vividly recall my grandmother telling me how she was in tears when she learned that he had borrowed funds to purchase their first home. She was concerned that she had not been frugal enough with the family budget. My father paid $6,500 for their first home in 1963 and was advised by the banker that, no offense, but he was the proud owner of a $4,000 lot and a $2,500 home. I purchased a home in Houston that was guaranteed by FHA. Mr. Chairman, I only wish I could say that in 2006 I found a similarly priced home in the district!

I graduated from Texas A&M University with a bachelor's degree in accounting. My first job was for Ernst & Young LLP. Subsequently, my 15-year career at BMC Software in Houston, Texas prepared me well for the role I hope to assume at HUD. BMC is a New York Stock Exchange company with $1.5 billion in revenue and operations in fifty countries. My team prepared and monitored expense budgets and sales forecasts, prepared and reviewed audited financial statements, prepared and presented quarterly management scorecards to the board of directors, and managed a billion dollar securities portfolio. As the Chief Financial Officer at BMC, I was responsible for the implementation of Section 404 of the Sarbanes-Oxley Act of 2002. As Chairman of the Audit Committee of the Board of Benchmark Electronics, Inc., I had the fiduciary responsibility of ensuring that our shareholders could take comfort in knowing that Benchmark's internal controls were adequate. I have also served on Benchmark's nominations and governance and compensation committees. Benchmark is a New York Stock Exchange company with annual sales in excess of $2 billion.

If confirmed, I will ensure that as the Department moves toward implementation of OMB Circular A–123 (the Federal Government equivalent of Sarbanes-Oxley Section 404), our focus is on improving the process and efficiency of government. I am confident my experience as an executive sponsor on numerous large, complex IT projects shows that I can manage projects effectively, within scope and on budget.

Updated, modernized financial systems are critical to HUD's success in meeting the President's management agenda.

My goals for HUD include working to improve internal controls, improving the timeliness and effectiveness of our financial reporting leading to both "clean" financial statements as well as improved decisionmaking by the Department's program heads, implementing FFMIA compliant financial systems and improving HUD's metrics on the President's management agenda. There is a lot of work to do and, if confirmed, I look forward to getting started.

In closing, I realize that Washington can be a very partisan city. But HUD's goals of providing Americans opportunities to increase homeownership, promoting decent affordable housing, and strengthening communities are issues that all of us can support, regardless of party. If confirmed, I look forward to working with the President, Secretary Jackson, and Congress to ensure that this mission is accomplished. I am proud to do what I can in public service.

Thank you, Mr. Chairman, Senator Sarbanes, and all Members of the Committee for your time and consideration of my nomination.

I am pleased to answer any questions you may have.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Lambright (Last) James (First) Henderson (Other)

Position to which nominated: President, Export-Import Bank of the United States

Date of nomination: February 13, 2006

Date of birth: 12 -- 05 -- 1970 (Day) (Month) (Year) **Place of birth:** Town & Country, Missouri

Marital Status: Single **Full name of spouse:** ——

Name and ages of children: ——

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Harvard Law School	9/93-5/96	J.D.	6/96
Stanford University	9/88-1/92	B.A.	1/92

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or chievement.

--Henry Crown Fellowship, Aspen Institute, 2004
--Phi Beta Kappa, 1991
--Order of Omega (National Greek Honorary Society), 1991

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization Office held (if any) Dates

--Credit Suisse First Boston Corp. (CSFB), Vice president with the private equity group DLJ Real Estate Capital Partners, and limited partner in various employment-related limited partnerships. Previous employer, Donaldson, Lufkin & Jenrette, was acquired by CSFB 11/00. Employment ended 6/01.
--Playing for Peace, Advisory board member (non-profit sports and education organization); Washington, DC. 2/05-present.
--Cubeville And1 Investment Partnership, Partner (investment group that held shares in one company). 1997-2005.
--Lambright Rock Creek LLC, Member (holds undeveloped two-acre lot in Granite County, MT). 2003-present.
--Lambright Partners, LP, General partner (family partnership holding no assets). 2004-present (in process of dissolution).
--Aspen Institute, Henry Crown Fellow (fellowship in leadership development program). 2004-present.
--District of Columbia Bar; Washington, DC; member, 2003-present.
--Council on Foreign Relations; New York, NY; term member, 6/04-present.
--University Club of DC; Washington, DC; member, 12/03-present.
--Harvard Club of New York; New York, NY; member, 6/96-10/02.
--Harvard Boxing Club; Cambridge, MA; member, 1994-6/96, co-president, 1995-6/96.
--American Mensa; Arlington, TX; member, 7/99-3/04.
--International Council of Shopping Centers; New York, NY; member, beginning sometime between 1997-1999 –2/01.
--American Bar Association; Chicago, IL; member, 8/03-2/05.
Smithsonian Institution Young Benefactors; Washington, DC; member, 2001 or 2002-4/05.
-Kappa Sigma Fraternity, beta zeta chapter (Stanford University); member, Stanford, CA, 1989-1991.

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

--Stanford University, Instructor (public speaking), Stanford, CA, 9/91-6/92.
--M.E. Fox & Co., Inc.(beverage distributor), Stanford Representative, San Jose, CA, 9/91-6/92.
--Anheuser-Busch Companies, Inc., Legal Assistant, St. Louis, MO, 9/92-6/93.
--Howrey & Simon (law firm), Summer Associate, Washington, DC, 6/94-8/94.
--U.S. Dept. of Justice; Missouri; Eastern District, Student Volunteer, St. Louis, MO, 7/95-8/95.
--O'Melveny & Myers (law firm), Summer Associate, Los Angeles, CA, 5/95-7/95.
--Donaldson, Lufkin & Jenrette (investment bank), Los Angeles, CA:
--Associate, 7/96-11/99.
--Vice President, 11/99-11/00.
--Credit Suisse First Boston (investment bank), Vice President, Los Angeles, CA, 11/00-6/01.
--Export-Import Bank of the U.S., Washington, DC:
--Special Assistant to the Chairman, 7/01-6/02.
--Senior Advisor to the Board, 6/02-3/03.
--Executive Vice President, 3/03-7/05.
--Acting President, 7/05-present

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

--U.S. Dept. of Justice; Missouri; Eastern District, Student Volunteer, St. Louis, MO, 7/95-8/95.

Export-Import Bank of the U.S., Washington, DC:
--Special Assistant to the Chairman, 7/01-6/02.
--Senior Advisor to the Board, 6/02-3/03.
--Executive Vice President, 3/03-7/05.
--Acting President, 7/05-present.

Published Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

None.

Political Affiliations and activities: List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

--Volunteer, Republican National Committee's 72-Hour Task Force, 2002, 2004.

Political Contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

Date	Recipient	Amount	Candidate – Office
6/17/02	Talent for Senate	$250	Jim Talent; US Senate, MO
9/8/02	Talent for Senate	$100	Jim Talent; US Senate, MO
8/3/04	Talent for Senate	$750	Jim Talent; US Senate, MO
		$1,100 total	
12/12/03	Missourians for Kit Bond	$1,000	Kit Bond; US Senate, MO
11/24/03	Bush-Cheney '04, Inc.	$2,000	George W. Bush; US President

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

See attached sheet.

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

If confirmed by the Senate, my current employer will remain the same (Export-Import Bank of the U.S).

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

I have no such plans.

3. Has anybody made you a commitment to a job after you leave government?

No.

4. Do you expect to serve the full term for which you have been appointed?

Yes.

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

All items listed below relate to interests that arose as part of the employee incentive plans of my previous employer, Credit Suisse First Boston (which acquired my earlier employer, Donaldson, Lufkin & Jenrette). Neither I nor my former employer make any new contributions to any of the items.

1. Credit Suisse First Boston Employee Stock Corp. (1998-2000). Interest arose 1/99.
(Item 1 represents deferred compensation from employee incentive plans.)
2. DLJ Real Estate Capital II, LP. Interest arose 4/00.
3. DLJ Real Estate Capital Exchange II, LP. Interest arose 4/00.
(Items 2 and 3 represent limited partnership interests in entities that own a partnership interest in the real estate investment fund for which I worked.)

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

--Lambright Partners, LP, (family partnership holding no assets; in process of being dissolved), partner.
--Anheuser-Busch common stock, 2,160 shares.
--Cutter & Buck common stock, 500 shares.
--Home Depot common stock, 180 shares.
--Merck common stock, 112 shares.
--Procter & Gamble common stock, 156 shares.
--Time Warner common stock, 80 shares.
--Wyeth common stock, 116 shares.

All items listed below relate to interests that arose as part of the employee incentive plans of my previous employer, Credit Suisse First Boston (which acquired my earlier employer, Donaldson, Lufkin & Jenrette). Neither I nor my former employer make any new contributions to any of the items.

1. Credit Suisse First Boston Employee Stock Corp. (1998-2000). Interest arose 1/99.
(Item 1 represents deferred compensation from employee incentive plans.)
2. DLJ Real Estate Capital II, LP. Interest arose 4/00.
3. DLJ Real Estate Capital Exchange II, LP. Interest arose 4/00.
(Items 2 and 3 represent limited partnership interests in entities that own a partnership interest in the real estate investment fund for which I worked.)

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None.

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

None.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

I am committed to the highest standards of ethical conduct for government officials. If confirmed as President of the Export-Import Bank of the United States, I will take the following actions to avoid potential conflicts of interest or the appearance of a conflict of interest consistent with the requirements of federal statutes and regulations:

As required by 18 U.S.C. section 208(a), I will not participate personally and substantially in any particular matter that has a direct and predictable effect on my financial interest or those of any other person whose interests are imputed to me, unless I first obtain a written waiver, pursuant to section 208(b)(1), or qualify for a regulatory exemption, pursuant to section 208(b)(2). I understand that the interests of the following persons are imputed to me: my spouse, minor children, or any general partner; any organization in which I serve as officer, director, trustee, general partner or employee; and any person or organization with which I am negotiating or have an arrangement concerning prospective employment.

In order to avoid participating as President and Chairman of Ex-Im Bank in a matter that may have a direct and predictable effect on my financial interests, I will divest the following holdings within 90 days of appointment: Cutter & Buck common stock, Home Depot common stock, Merck common stock, Procter & Gamble common stock, Time Warner common stock, and Wyeth common stock. If unusual hardship exists, I will seek an extension of time to divest these assets, pursuant to applicable ethics regulations. I also intend, prior to divestiture, to request, as appropriate, Certificates of Divestiture from the Office of Government Ethics. I understand that regardless of when the Certificates of Divestiture are issued, I must sell the conflicting assets within 90 days of my appointment. Until divestiture is accomplished, I will not participate personally and substantially in any particular matter that may have a direct and predictable effect on the entities listed above, unless I first obtain a written waiver pursuant to section 208(b)(1) or qualify for a regulatory exemption pursuant to section 208(b)(2).

With respect to my holding of Anheuser-Busch common stock, I will not participate personally and substantially in any particular matter that will have a direct and predictable effect on the financial interests of this entity, unless I first obtain a written waiver or qualify for a regulatory exemption.

With respect to my interest in Lambright Partners, LP, the partners are in the process of dissolving this entity. I understand that, prior to dissolution of this partnership, the interests of the other general partners are imputed to me pursuant to section 208(a) and 5 C.F.R. section 2640.103(c), to the extent that I have knowledge of such interests.

With respect to my interests in the employee incentive plans of my former employer, pursuant to 18 U.S.C. section 208, I will not participate personally and substantially in any particular matter that will have a direct and predictable effect on the ability or willingness of Credit Suisse to provide this benefit, unless I first obtain a written waiver or qualify for a regulatory exemption.

Finally, I will recuse myself from participation on a case-by-case basis in any particular matter in which, in my judgment, it is desirable for me to do so in order to avoid the possible appearance of impropriety despite the lack of any actual conflict.

Civil, criminal and investigatory actions:

1. Give the full derails of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

   My testimony was taken in Los Angeles, CA, in September, 1997, during the course of a non-public investigation undertaken by the staff of the SEC. The non-public investigation centered on trading in the securities of Santa Fe Pacific Gold Corp. and other issuers, presumably with an eye to determining if anyone had engaged in any kind of improper trading (SEC File No. D-2059). I believe that SEC staff took the testimony of other witnesses as well. Ultimately, the Commission staff concluded its investigation and recommended to the Commission no enforcement action against anyone.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

   None.

STATEMENT OF QUALIFICATIONS BY NOMINEE JAMES H. LAMBRIGHT
COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS
UNITED STATES SENATE

The Export-Import Bank of the United States sits at the intersection of trade, finance, foreign affairs, and government. It approved over 3,000 transactions last year, supporting the exports of U.S. goods and services into over 80 markets. These transactions range from large and complex project financings to short term insurance coverage of only a few thousand dollars. The Bank's 400 employees in FY2005 processed nearly $14 billion in export financings.

As Acting President of Ex-Im Bank since July, 2005, I have been serving in an interim capacity in the position to which I have been nominated. As the Bank's acting chief executive, I have:

- managed the Bank through the close of a fiscal year and obtained a clean audit opinion from Deloitte & Touche;
- established a schedule for the roll-out of the Bank's new online application technology;
- designated one of our top executives Senior Vice President for Small Business and devoted significant staff to this new division to focus on outreach to and advocacy for the small business community; and
- changed our claims review process to make it more transparent, especially for our small business customers.

My tenure as Acting President has been marked by a spirit of cooperation. I have worked closely with interested members of Congress on changes to our small business program. I have made a concerted effort to reach out to the trade groups representing our customers to understand better their views of how Ex-Im Bank can deliver its services more effectively and efficiently. And, I have maintained strong relationships with my fellow Board members, keeping them informed of issues facing the Bank and soliciting their input. If confirmed by the Senate, I will continue to manage the Bank in a way that pays close attention to the concerns of members of Congress, the Bank's customers, and my fellow Board members.

I have been at Ex-Im Bank since July, 2001. I came to Washington to serve as an aide to the then-chairman, John Robson. Under Mr. Robson's brief time at Ex-Im Bank before his passing, I focused primarily on developing the Bank's programs in Sub-saharan Africa. Then, from mid-2002 to early-2003, I was Sr. Advisor to the Board, serving a variety of functions for the Board. My biggest accomplishment during that time was to create a new Credit & Risk Management division during the course of a major re-organization. This new group drew specialists from within the Bank to establish a uniform credit culture and make sure the Bank prudently used its power to commit the full faith and credit of the United States.

From early-2003 to July, 2005, I was Executive Vice President, overseeing much of the Bank's day-to-day activity. Given the breadth and depth of matters arising within the Bank, this senior management position required me to make decisions on particular policy and program issues, handle relations with other USG agencies, deal with administrative concerns within the Bank, and work with business and government officials from around the world.

My time at Ex-Im Bank has drawn heavily on the skills and experiences I developed in the private sector. Before joining Ex-Im Bank, I served as Vice President in a specialty private equity line of business at Credit Suisse First Boston. That business was transactional in nature and pursued investments throughout North America, Europe, and Asia. Having an understanding of finance in the context of international transactions is highly relevant to serving as President of the Export-Import Bank. Furthermore, my legal training will help me relate to the legal and policy staff involved in the technical questions of Ex-Im's business.

Thank you for your consideration of my nomination.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: BUCELO (Last) ARMANDO (First) DE JESUS (Other)

Position to which nominated:

Date of nomination:

Date of birth: 09/18/1952 (Day) (Month) (Year) **Place of birth:** Havana, Cuba

Marital Status: married **Full name of spouse:** Beatriz Bucelo

Name and ages of children:

Alexis Marie Bucelo 20 years old
Armando Joseph Bucelo 18 years old
Alexander Luis Bucelo 12 years old

Education:

Institution	Dates attended	Degrees received	Dates of degrees

See Attached Resume

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or chievement.

See attached Resume

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates

SEE ATTACHED RESUME

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

SEE ATTACHED RESUME

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

SEE ATTACHED RESUME

Published Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

NONE

Political Affiliations and activities: List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

SEE ATTACHED RESUME

Political Contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

SEE ATTACHED RESUME

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

SEE ATTACHED RESUME

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

N/A

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

N/A

3. Has anybody made you a commitment to a job after you leave government?

N/A

4. Do you expect to serve the full term for which you have been appointed?

N/A

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

NONE

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

NONE

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

NONE

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

NONE

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

N/A

Civil, criminal and investigatory actions:

1. Give the full derails of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

NONE

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

NONE

PERSONAL/ARMANDO J. BUCELO, JR.

Profession:	Attorney at Law Law Offices of Armando J. Bucelo, Jr. 1401 Ponce de Leon Blvd., PH-1 Coral Gables, Florida 33134
Place of Birth:	Havana, Cuba
Marital Status:	Married to Beatriz del Calvo one daughter/ALEXIS MARIE BUCELO two sons/ARMANDO JOSEPH BUCELO ALEXANDER LUIS BUCELO
Language Spoken:	English, Spanish

EDUCATION

Graduate:	University of Miami School of Law Coral Gables, Florida Juris Doctor: January 1979 Extensive legal research for Prof. Ralph Boyer in the areas of Real Estate, Condominium Law, Conversions, Plan Unit Development, and Time Sharing. Contributing author on Professor Ralph Boyer's book "Condominium and Cluster Housing".
Undergraduate:	University of Miami, Coral Gables, Florida Bachelor in Science: July 1976. Miami Dade Community College, Miami, Florida Associate Degree: 1973 La Salle High School, Miami, Florida Graduated: June 1971.
Activities:	University of Miami-Chess Club President (1973-1976) University of Miami-Chess Club Champion (1973-1976) University of Miami Member of Board of Directors of the Federation of Cuban Students: (1973-1976)

ARMANDO J. BUCELO, JR.

PROFESSIONAL BACKGROUND

1982 to Present	LAW OFFICES OF ARMANDO J. BUCELO,JR. 1401 Ponce de Leon Blvd., PH-1 Coral Gables, Florida 33134
1979 to 1982	LAW OFFICES OF CASTRILLO & BUCELO 25 West Flagler Street Suite 1040 Miami, Florida 33130
October 1978 to January 1979	LAW OFFICES OF FULLER, FEINGOLD, WEILER, AND SCHEER 1111 Lincoln Road, Suite 802 Miami Beach, Fla.
October 1977 to October 1978	LAW OFFICES OF SNYDER, YOUNG, STERN, BARRETT & TANNENBAUM 17071 West Dixie Highway North Miami Beach, Fla. 33160
April 1975 to August 1976	TRAFALGAR DEVELOPMENT Fountainbleau Park Sales Executive Flagler Street & 87th Avenue Miami, Fla.
	President and Chief Executive Officer of Metro-Dade Title Company
	Licensed Real Estate Agent (1974) Licensed Mortgage Broker (1984)

APPOINTMENTS

1. Special Counsel to the Code Enforcement Board of the City of Miami. 1988 to present.

2. Dade County Planning and Advisory Board. (1989)

3. Dade County Rental Housing Authority- 1982

4. City of Coral Gables Zoning Board. 1991 to 1999.

5. City of Coral Gables Board of Adjustments. 2000 to 2001.

6. Special Advisor to the City of Miami. 1991.

7. Special Advisor to the Republican Party of Miami-Dade County, Florida.

8. **Appointed by the President of the United States, George Bush, as Director of Federal Home Loan Mortgage Corporation (Freddie Mac) on October 1991; being the first Hispanic as well as the first Floridian ever appointed by a President to said organization.**

9. Outside Counsel for the RTC/FDIC.

10. **Cuban-American National Chairman of the National Republican Senatorial Committee since 1995.**

11. Committeeman Republican Party, elected 1994 to present.

12. Appointed Trustee of the Board of Directors of Miami Dade Community College by Governor Jeb Bush. 1999.

13. Named Ambassador of Chess for the City of Miami 1998.

14. First Degree Black Tae Kwon-Do Jhoon Rhee System.

15. Board of Directors of National Housing Development Corp.

16. **Appointed by the President of the United States, George W. Bush, as Director of Securities Investor Protection Corporation (SIPC) on November 2002; being the first Hispanic as well as the first Floridian ever appointed by a President to said organization.**

LEGAL ACTIVITIES

1. Member of Florida Bar.

2. Member of Dade County Bar Association.

3. Member of American Bar Association.

4. Member of Association Trial Lawyers of America.

5. Member of Academy of Florida Trail Lawyers.

6. Cuban American Bar Association.

   a) Board of Directors Member - 1983
   b) Vice-President 1983-1984
   c) President-Elect 1984-1985
   d) President 1985-1986

7. Member of Association of Immigration and Naturalization Lawyers.

8. Member of Inter-American Bar.

9. Member of Supreme Court of the United States.

10. Member of United States Tax Court.

11. Member of United States District Court.

CIVIC ACTIVITIES

1. Board of Directors of YMCA International Club.
2. Board of Directors of American Red Cross (Latin Branch). 1982 to 1988.
3. Board of Directors of Cuban Sertoma Club.
4. Board of Directors of Dade County Rental Housing Authority Board. 1982 to 1983.
5. Board of Directors of Crime Prevention.
6. Miami-Flagami Optimist Club President/Director 1982 - 1984
7. Downtown Miami Business Association.
8. General Supervisor of Crime Watch of Little Havana.
9. Legal Advisor/Founder of Florida Federation of Latin American Chamber of Commerce. 1981 - 1983.
10. Legal Advisor of Interamerican Chamber of Commerce of Sweetwater.
11. Legal Advisor of Interamerican Chamber of Commerce of Greater Miami. 1981-1983
12. Legal Advisor of Miami Habana Lions Club. 1981 to Present.
13. Legal Advisor of Florida Lions Athletic Association. 1981 to Present
14. Attorney for City of Miami Youth Baseball Academy. 1981 to Present
15. Member of Coral Gables Chamber of Commerce.
16. Miami Youth Baseball Academy, President 1988 to 1989.
17. Society of University Founders-University of Miami

AWARDS AND HONORS

1. Lincoln Marti Award - 1971.
2. Optimist Honor Award - 1971.
3. Sertoma Honor Award - 1971.
4. YMCA "Honor Man Award" - 1972, 1977, & 1983.
5. DEPORTES Magazine Award - 1972.
6. City of Miami - Year Appreciation Award 1979 - 1986.
7. Dade County - Year Appreciation Award 1979, 1984 & 1986.
8. Miami Habana Lions Club yearly Award 1982.
9. Florida Lions Athletic Association Honor Award - 1982.
10. State of Tennessee Honor Award - 1982.
11. Liceo Martiano Man of the Year - 1983.
12. Miami Flagami Optimist Club Man of the Year 1983.
13. Hispanic Business Magazine named one of the 100 most influential hispanics in the United States - 1984.
14. Dade County Proclamation - ARMANDO J. BUCELO, JR., DAY August 11, 1984.
15. Personalities of America Award - 1984.
16. GASTON GODOY Award by Fraternidad de Abogados Cubanos Graduados in 1942. - 1985
17. Fraternidad Abogados Cubanos Graduados en 1942 Honor Award - 1985.

18. Key of Dade County given by Mayor Steve Clark - 1985.

19. Inducted into IRON ARROW SOCIETY, the highest honor given at the University of Miami - 1985.

20. Selected by the Marquis Publication Board "Who's Who in America " for the three past consecutive years

21. City of Coral Gables - Mayoral Proclamation - 1986.

22. U.S. Congress Recognition/Dante Fascell, Congressman 1986.

23. U.S. Senate Recognition/Paula Hawkins U.S. Senator - 1984 - 1986.

24. U.S. Congress Recognition/Claude Pepper, Congressman - 1986.

25. Proclamation City of Hialeah/Armando J. Bucelo, Jr. Day 1986.

26. State of Florida Governor/Recognition 1986 by Governor Bob Graham.

27. Dade County Florida Commendation 1986.

28. State of Florida House of Representative Resolution/Commending Armando J. Bucelo, Jr. 1986.

29. State of Florida Senate Resolution/ Commanding Armando J. Bucelo, Jr. - 1986.

30. Awarded the Flag of the United States of America flown over the U.S. Capitol on April 1, 1986 as requested by Congressman Claude Pepper - 1986.

31. Awarded Proclamation and Key to the City of Coral Gables Florida by its Mayor George Corrigan/Armando J. Bucelo, Jr. Day - November 26, 1991.

32. Awarded Proclamation by Dade County, Florida Steve Clark/ Armando J. Bucelo,Jr., Day , December 3, 1991.

33. Awarded Proclamation by Sweetwater, Florida Mayor Matilde Aguirre/Armando J. Bucelo, Jr., Day, February 4, 1992.

34. Awarded Proclamation by West Miami, Florida Mayor Pedro Reboredo/Armando J. Bucelo, Jr. Day, February 2, 1992.

35. Awarded Proclamation by City of Miami, Florida Mayor Javier Suarez and the Commission/Armando J. Bucelo, Jr. Day - January 9, 1992.

36. Awarded Proclamation by Latin Builders Association/ Armando J. Bucelo, Jr. - May 16, 1992.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: **Farha** (Last) **Todd** (First) **Suhayl** (Other)

Position to which nominated: **Member of the Board of Directors, Securities Investor Protection Corporation (SIPC)**

Date of nomination: **(as yet to be determined)**

Date of birth: **05/25/1968** (Day) (Month) (Year) **Place of birth:** **Wichita, Kansas**

Marital Status: Never Married **Full name of spouse: N/A**

Name and ages of children: N/A

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Harvard Business School	8/93 - 06/95	MBA	06/95
Trinity University	08/86 - 05/90	BA Business	05/90
Wichita Collegiate School	09/82 - 05/86	AS	05/86

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

University Scholar - Trinity University - May 1990
Phi Beta Kappa - Trinity University - May 1990
Blue Key - Harvard Business School - June 1995
Mortar Board - Harvard Business School - June 1995
Trinity University, Outstanding Alumnus for 2004 - December 2004

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
Florida Arts Council	Member of the Board of Directors	2004
Museum of Art, Tampa, FL	Member of the Board of Directors	2003 - present
Republican Party of Florida		2002 - present
Cato Institute		2002 - present
Phi Betta Kappa		1989 - present

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

05/02 - Present	WellCare Health Plans, Inc. 8735 Henderson Road, Ren 2 Tampa, FL 33634	President and CEO
01/00 - 06/01	Best Doctor's Inc. 1500 Wilson Boulevard Arlington, VA 22209	CEO and President
02/99 - 05/02	Medical Technology Management 67 East 11th Street, Suite 318 New York, NY 10003	President/Owner
08/96 - 11/98	Oxford Health Plans, Inc. 800 Connecticut Avenue Norwalk, CT 06897	Division CEO
08/95 - 08/96	Oxford Health Plans, Inc. 800 Connecticut Avenue Norwalk, CT 06897	Executive Assistant to CEO
08/93 - 08/95	Harvard Business School	Full Time Student
01/92 - 08/93	Physician Corporation of America 6100 Blue Lagoon Drive Miami, FL 33126	Dir, Special Projects
07/90 - 12/91	Physician Corporation of America 6100 Blue Lagoon Drive Miami, FL 33126	Asst. Director, Medical Centers

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

Florida Arts Council

Published Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

None

Political Affiliations and activities: List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

None

Political Contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

Date	Description	Amount
10/1/1999	Rudolph Giuliani Campaign	$1,000
10/14/2002	Friends of Pataki	$ 500
10/14/2002	Friends of Faso	$ 500
8/18/2003	Bush Cheney	$2,000
9/22/2003	Friends of Johnnie Byrd	$1,000
9/22/2003	Miller for NY	$ 200
12/18/2003	Carole Green for Congress	$2,000
3/26/2004	Friends of Johnnie Byrd	$3,000
3/26/2004	Carole Green for Congress	$2,000
Not recorded	Miguel Diaz De la Portilla Campaign	$ 250
Not recorded	WellCare Good Government Fund	$2,000
7/20/2004	Trey Traviesa Campaign	$ 500
8/15/2004	WellCare NY PAC	$ 500
8/22/2004	Friends of Johnnie Byrd	$2,000
9/6/2004	Michael Bilirakis Campaign Fund	$1,000
9/15/2004	Frank Farkas Campaign Fund	$ 500
10/12/2004	Mel for Senate	$2,000
10/14/2004	Presidential Trust	$25,000
2/15/2005	Senator Allen	$2,000
5/24/2005	Bilirakis for Congress	$1,000
6/9/2005	Friends of Conrad Burns	$1,000
6/15/2005	Negron For Attorney General	$ 500
6/15/2005	Sandra Murman Senate Campaign	$ 500
2005	Kyle/Talent: Road Victory	$1,000
8/27/2005	Jim Norman Campaign	$ 500
9/14/2005	Bilirakis for Congress	$1,100
9/14/2005	Bilirakis for Congress	$2,100
9/19/2005	Friends of Katherine Harris	$2,000
7/12/2005	Holly Benson Campaign	$ 500
11/10/2005	Miller For Congress	$2,000
2/2/2006	Campaign for Andy Gardiner	$ 500
2/8/2006	WellCare Good Government Fund	$4,000
2/21/2006	Rene Garcia, Rep. For State Representative, District 100	$ 500
2/21/2006	Negron for Attorney General	$ 500
2/21/2006	Kim Berfield, Republican for State Senator, District 16	$ 500
2/22/2006	The National Republican Senatorial Committee	$25,000
2/23/2006	Santorum 2006	$2,100

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

As President and Chief Executive Office of Tampa, Florida-based WellCare Health Plans, Inc., a leading, multi-state provider of managed healthcare services and a publicly owned company that is traded on the New York Stock Exchange, I am well aware of my fiduciary responsibility to the Company's shareholders. In addition, through my formal education at Harvard Business School, my investor relations responsibilities at WellCare and through leadership roles at previous public companies, I have become well acquainted with the capital markets and the interests of investors. My role as a Board Member of SIPC will support its mission of protecting the investing public.

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

   No

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

   N/A

3. Has anybody made you a commitment to a job after you leave government?

   No

4. Do you expect to serve the full term for which you have been appointed?

   Yes

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

   None

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

   Current employment with WellCare Health Plans, Inc.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

   None

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

   None

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

   N/A

Civil, criminal and investigatory actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

   N/A

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

   N/A

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: **Rymer** (Last) **Jon** (First) **T.** (Other)

Position to which Nominated: FDIC Inspector General

Date of Nomination: 14 February 2006

Date of Birth: 2 April 1955 (Day) (Month) (Year) **Place of Birth:** Knoxville, Tennessee

Marital Status: Married **Full Name of Spouse:** Debra Joanne Rymer

Name and Ages of Children: Thomson Rymer, age 10

Education: University of Tennessee, September 1973 to June 1975, September 1978 to June 1981, Bachelor of Arts, Economics awarded June 1981

University of Arkansas at Little Rock, June 1994 to August 1996, Master of Business Administration awarded August 1996.

Professional development and leadership courses include:

Defense Language Institute, Monterey, California
Tennessee School of Banking at Vanderbilt University
The National Commercial Lending School at the University of Oklahoma
Senior Leadership Development Course at the University of Maryland
U.S. Army Counter Intelligence Operations and Investigations Course
The United States Army Sergeants Major Academy, Fort Bliss, Texas

Honors and Awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary Society memberships and any other special recognition for outstanding service or achievement.

United States Army Medals: Meritorious Service Medal, Army Commendation Medal with 1 oak leaf cluster, Army Achievement Medal with 4 oak leaf clusters, Good Conduct Medal, Global War on Terrorism Service Medal, National Defense Medal, Reserve Component Achievement Medal with 4 oak leaf clusters, Humanitarian Service Medal

Ohio National Guard Medals: Ohio Commendation Medal with 1 oak leaf cluster, Ohio Service Medal.

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

1. Pi Kappa Phi Fraternity at the University of Tennesee, March 1975 to 1983. Served as chapter president and as chapter alumni advisor.
2. Easter Seals of Arkansas, July 1993 to May 2003. Served as a board member, chairman of the finance committee, and vice chairman of the board.
3. Easter Seals of Southwest Ohio, May 2003 to January 2006. Served as a board member and member of the finance committee.
4. American Legion, May 1999 to present. I hold no office in the organization.
5. Association of the United States Army, June 2001 to present. I am a member of the Cincinnati chapter and hold no office in the organization.
6. The Institute of Internal Auditors, October 2003 to present. I am a member of the Cincinnati chapter and hold no office.
7. The Risk Managers Association, July 1998 to present. I am a member of the organization and hold no office.
8. The United States Armor Association, May 2005 to present. I am a member of the organization and hold no office at any level.
9. The Second Armored Division Association, April 2000 to present. I am a member of the organization and hold no office at any level.

Employment Record: List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

1. Howard Johnson Motor Lodge, Knoxville, Tennessee, 1972 to 1975 and 1978 to 1981. Worked in the maintenance department, as a bellman, as a desk clerk, as a night auditor, and as assistant general manager. As assistant general manager, I was responsible for all front office and auditing functions.
2. United States Army, Company A, 522nd Military Intelligence Battalion, 2nd Armored Division, Fort Hood, Texas, 1975 to 1978. Served as an electronic warfare and intelligence sergeant and team chief. I was the noncommissioned officer in charge of a team of 5 soldiers in an electronic counter measures team.
3. First American National Bank (previously known as Park National Bank and now known as AmSouth Bank), Knoxville and Nashville, Tennessee, 1981 to 1992. I worked in several positions of increasing responsibility including loan operations specialist, deposit product manager, director of marketing, regional branch manager, and as executive vice president. As the Executive Vice President for Branch Banking, I was responsible for the following functions in the bank's statewide branch network: general management, profitability, sales, staffing, branch deposit and loan operations, budgeting and goal setting, human resource management, and security.
4. United States Army Reserve (USAR), 3292nd and 3090th USAR Schools, Knoxville and Nashville, Tennessee 1978 to 1992. Served as senior instructor for noncommissioned officer leadership development courses and chemical warfare defense courses and as Director of Instruction (DOI). As DOI, I was responsible for supervising 75 senior noncommissioned officer instructors. Served on active duty with the 2nd U.S. Army Mobilization Team at Fort

Stewart, Georgia, from November 1990 to January 1991. Honorably discharged with the rank of Master Sergeant in 1992.

5. Bank America, Little Rock, Arkansas (previously known as Worthen National Bank and later as Boatmen's Bank of Arkansas), 1992 to 1997. Served as Executive Vice President responsible for all retail banking functions including overall profitability, branch operations, consumer credit operations, insurance sales, credit card and ATM network wholesale and retail sales and operations, bank-owned real estate management, internal assurance processes, and security and retail banking regulatory compliance.
6. United States Army Reserve, 95th Training Division, Little Rock, Arkansas, 1997 to 1998. Served as senior instructor for chemical warfare defense courses.
7. KPMG LLP, Chicago, Illinois, and Cincinnati, Ohio, June 1997 to November 2004. Served as Director and practice leader in the Assurance Based Advisory Services practice specializing in internal auditing and consulting for the banking industry.
8. Illinois Army National Guard, Chicago, Illinois, Company C, 341st Military Intelligence Battalion, 300th Military Intelligence Brigade, March 1998 to March 2001. Served as First Sergeant and counter intelligence specialist. As First Sergeant, I was the senior noncommissioned officer in this 75-soldier unit made up of linguist and interrogation specialists.
9. Ohio Army National Guard, Cincinnati, Ohio, March 2001 to September 2004. Served as Intelligence Sergeant, First Sergeant, and Operations Sergeant Major in 1/147th Armor Battalion. As First Sergeant of the headquarters company, I was the senior noncommissioned officer in a unit of 230 soldiers who were specialists in either combat support or combat service support. As the operations sergeant major, I was the senior noncommissioned officer on the battalion staff with responsibility for supervising planning, training management, and intelligence activities.
10. Ohio Army National Guard, Middletown and Columbus, Ohio, September 2004 to present. Served on active duty special work status as the Operations Sergeant Major of the 37th Armor Brigade and currently serve as the Command Sergeant Major of the 155th Chemical Battalion. As the battalion command sergeant major, I am the senior noncommissioned officer in a 400-soldier unit. As such, I am responsible for providing the battalion commander with advice and recommendations on all matters pertaining to enlisted soldiers and their families.

Government Experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

The Farm Credit Bank of America in Omaha, Nebraska, and the Federal Home Loan Bank of Topeka, Kansas, were my clients in 2004. I managed internal audit consulting engagements at both of these institutions.

In addition to my military service outlined above, I have served as an advisor, planner, and observer for joint emergency management exercises with agencies of the United States Department of Defense and municipal governments in the counties of Franklin and Hamilton, Ohio.

Published Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

While in graduate school I served as a research assistant for articles and studies concerning the consolidation of the banking industry. I was not the author of these articles.

Political Affiliations and Activities: List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

I worked as a phone bank volunteer in Hamilton County, Ohio, during the 2004 elections. I have never held any office in any political party.

Political Contributions: Itemize all political contributions of $500 or more to any individual, campaign, Organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

2000	Republican National Committee	$500
2001	Republican National Committee	$500
2003	Republican National Committee	$500
2003	Bush/Cheney '04	$500
2004	Bush/Cheney '04	$1500
2004	National Republican Congressional Committee	$500
2005	National Republican Congressional Committee	$500
2005	Republican National Committee	$500

Qualifications: State fully your qualifications to serve in the position to which you have been named.

The Inspector General Act and the mission and nature of the FDIC require skills and experience in leadership, auditing, investigation, legal processes, accounting, and general management. I believe that a candidate for a position such an Inspector General must have a history of demonstrating integrity and honesty. Equally important is first-hand knowledge and experience in the banking industry and its regulatory environment. I have developed and demonstrated these skills and experiences over the last 30 years through my service in the United States Army, and my work in the banking industry and the accounting profession.

I have many years of experience in accounting and auditing. I worked during college as a night auditor at a hotel beginning at age 18. During my banking career, I worked at every level from operations accounting specialist through executive vice president in positions that required a deep understanding of banking principles and financial controls.

As a banking executive, I have had leadership responsibilities in projects and activities ranging from running major business units to mergers and divestitures, systems conversions, and business and strategic planning. Many of these positions came with management and leadership responsibilities for hundreds of employees.

During my years with a Big Four accounting firm, I worked with scores of financial services institution clients on matters of process improvement, business and strategic planning, and internal auditing. Clients ranged from international banks to community banks, thrifts, and credit unions.

I have 25 years of service in the active and reserve components of the United States Army. I have worked as a translator, intelligence analyst, instructor, counter intelligence specialist, and as a staff senior noncommissioned officer. All of these positions required a security clearance and the ability to be trusted with sensitive information. The Army gave me the opportunity to develop and demonstrate my leadership skills as well. I have served as a leader at every noncommissioned officer level from sergeant to command sergeant major.

It is the combination of my education and professional experience, and my commitment to continuing to serve the United States that I believe qualify me as a candidate for the position of FDIC Inspector General.

Future Employment Relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

   I have not worked for KPMG LLP, my previous employer, since entering active duty in the U.S. Army in November 2004. I have no business connections to KPMG.

   If I am confirmed by the United States Senate, I will request that I be transferred to the Individual National Guard in a non pay, non drill status.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

   I have no plans to return to work at KPMG, Bank America, or AmSouth Bank.

3. Has anybody made you a commitment to a job after you leave government?

   No.

4. Do you expect to serve the full term for which you have been appointed?

I plan to serve for as long as the President wishes for me to do so.

Potential Conflicts of Interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

I am vested in the pension plans of both KPMG and AmSouth Bank. I expect to complete the eligibility requirement for reserve component retirement from the U.S. Army some time during the next 12 months. I have no other financial arrangements with any former employers, business associates, or clients.

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

I do not see any potential conflicts between my investments or financial liabilities and the position to which I have been nominated.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

None.

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

None.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

I see no potential conflicts. If a potential conflict did arise, however, I would notify the appropriate authorities and recuse myself from the matter if possible. If this is not possible, I would divest the asset or repay the obligation if necessary to maintain objectivity and fairness.

Civil, Criminal and Investigatory Actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

I was the defendant in my divorce. The divorce was granted on the basis of irreconcilable differences in September 1992 in Nashville, Tennessee.

I have been the subject of routine background investigations for purposes of granting a security clearance in the United States Army. I have never been denied a security clearance. I have not been the subject of any other type of investigation.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

I have not been the subject of any professional inquiries or investigations.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: **Cox** (Last) **John** (First) **Wallace** (Other)

Position to which nominated: **Chief Financial Officer, Housing and Urban Development**

Date of nomination: March 3, 2006

Date of birth: 18 (Day) 12 (Month) 1958 (Year) **Place of birth:** Haskell, Texas

Marital Status: Married **Full name of spouse:** Sally Schweitzer Cox

Name and ages of children: Catherine Ruth (Kate) Cox, 10

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Texas A & M University	09/1978 – 05/1981	BBA Acctg.	05/1981
Texas A & M University	09/1982 - 12/1983	-	-

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

Sigma Chi Fraternity - Grand consul's citation

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates
Houston Grand Opera	Board of Trustees	2003 to present
West University United Methodist	Director	2005
Texas A & M University College of Liberal Arts	Advisor	1999 to present
Sigma Chi Fraternity	House Corporation Pres.	1978 to present
Braeburn Country Club	-	1998 to present
Benchmark Electronics, Inc.	Director	2003 to present

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

Ernst & Young LLP, Accountant, Houston, Texas, 01/1984 to 10/1989, last position Tax Manager

BMC Software, Inc., Various tax, investor relations and accounting positions in the finance organization, Houston, Texas, 10/1989 to 09/2004, last position held, Chief Financial Officer and Chief Accounting Officer

Private consultant to investment bankers and private equity firms in the technology field, consultancy to technology and oil and gas firms, 10/2004 to present, Houston, Texas

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

None

Published Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

None

Political Affiliations and activities: List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

None

Political Contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

Bush-Cheney '04, Inc. (Primary) – March 4, 2004 – $1,000
Rangel for Congress 2000 – August 27, 1999 – $250
Friends of Giuliani Exploratory Committee – November 10, 1999 – $500
Kay Bailey Hutchison for Senate Committee – July 15, 1994 – $250

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

Per my ethics agreement, I will resign from the Board of Directors of Benchmark Electronics, Inc.

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

No agreements are in place to resume employment, affiliation or practice with any previous employers, business firms, associations or organizations.

3. Has anybody made you a commitment to a job after you leave government?

No

4. Do you expect to serve the full term for which you have been appointed?

Yes

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

None

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

HUD's Office of General Counsel has indicated the following stock holdings must be disposed of within 90 days after my confirmation: Citigroup, Inc., National City Corp., The Charles Schwab Corp., Washington Mutual, Inc., Wells Fargo & Co., and The General Electric Corp. In accordance with my Ethics Agreement, if confirmed, I will recuse myself from any official matter pertaining to these entities until my divestitures are complete.

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

I am not aware of any relationship, dealing or financial transaction which would result in a possible conflict of interest for the Chief Financial Officer of HUD

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

As a prior board member of the American Electronics association, I lobbied Congress on behalf of the research and development tax credit. As an officer of BMC Software, Inc., I lobbied Congress to pass various pieces of tax legislation, including the research and development tax credit.

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

See answser to question number two above.

Civil, criminal and investigatory actions:

1. Give the full details of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

As tax director for BMC Software, Inc. (BMC), I was named in a federal tax suit filed in The Southern United States District Court, Southern District of Texas. I was issued a subpoena by the IRS requesting I provide software source code belonging to BMC. The issue involved intercompany pricing between a domestic BMC entity and a foreign BMC entity. The IRS sought the source code in an effort to determine the appropriate royalty rate for US federal income tax purposes. The judge quashed the subpoena, ruling in BMC's favor. The IRS did not appeal the judge's ruling. The tax year at issue in the case was favorably settled with the IRS and BMC.

The cite is United States of America, Petitioner, vs. John Cox, Tax Director of BMC Software, Inc. and Subsidiaries, Respondent, recorded as Civil Action H-98-2363. The opinion was entered on January 8, 1999.

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

None

Statement of Qualifications to the position of Chief Financial Officer of Housing and Urban Development

I am prepared to lead a large, complex organization. I directly managed over 400 worldwide employees in my role as the Chief Financial Officer of BMC Software, Inc (BMC). I was a member of the BMC executive management team, so I am comfortable working with other members of a large team to accomplish common goals. My management style is collaborative. I have the ability to work with all levels of a large, complex organization. I firmly believe in allowing employees to cross train. This allows for better job satisfaction for high potential employees and a broader team with experience in all areas of the organization. I enjoy setting goals and rewarding employees for their successes.

I prepared and presented annual budgets in excess of $1.5 billion dollars. During my term as CFO of BMC, I implemented improvements in budgeting and procurement. My team at BMC was responsible for millions of dollars in efficiency improvements and cost reductions. My team was responsible for integrating the financial and business operations of acquisitions into the BMC corporate structure.

I was responsible for implementing SOX procedures and improvements in corporate governance. Specifically, my team implemented the initial SOX internal accounting controls for the Company. I was the executive sponsor for several large IT projects whose goals were improvements in internal processes and external customer service. My role as executive sponsor on these projects was to ensure that the projects stayed on point, on budget and that when the project was rolled out, staff had the proper training to use the new technology.

I have experience working with the media and completed media training from a former television network news person. I have testified before Congress. I am comfortable making tough decisions in a dynamic, high-pressure environment. My role as Investor relations vice president provided me the opportunity to speak in public and interact privately with the shareholders of BMC. I can take a complicated subject and explain it succinctly to an audience.

My education and certification as a certified public accountant prepare me for the role of CFO of HUD. I received my BBA in accounting from Texas A & M University. I have prepared and reviewed financial statements and have experience managing a large financial audit with an outside public accounting firm.

My business experience will allow me to ensure taxpayer funds are spent wisely and in accordance with Congressional appropriations. My goal is to improve the financial operations of HUD. Specifically, I plan to work with HUD staff to ensure we meet President Bush's management scorecard. I look forward to working with Secretary Jackson to further the President's agenda for HUD.

STATEMENT FOR COMPLETION BY PRESIDENTIAL NOMINEES

Name: Hardiman III (Last) Clyde Preston William (First) Bill (Other)

Position to which nominated: Member of the Board of Directors of the National Institute of Building Sciences

Date of nomination: **02/03/04**

Date of birth: 05/26/1947 (Day) (Month) (Year) **Place of birth:** Pontiac, MI

Marital Status: Married **Full name of spouse:** Clova Hardiman

Name and ages of children: Mark 32___ & Valenta 28

Education:

Institution	Dates attended	Degrees received	Dates of degrees
Western Michigan Universtiy	1978	MPA	August 1978
Grand Valley State University	1975-77	BS	June 1977
Grand Rapids Community College	1973-75	AA	August 1975

Honors and awards: List below all scholarships, fellowships, honorary degrees, military medals, honorary society memberships and any other special recognitions for outstanding service or achievement.

Distinguished Alumnus Award from Grand Valley State University
National Association of Homebuilders Annual Local Office of the Year Award
Michigan's Children Advocate of the Year Award
See attached resume

Memberships: List below all memberships and offices held in professional, fraternal, business, scholarly, civic, charitable and other organizations.

Organization	Office held (if any)	Dates

First Assembly of God .	Usher
Greater Grand Rapids Marriage Policy	Chairman
Spectrum Health Hospital	Board Member
Grand Bank	Board Member
Grand Valley State University	Foundation Board
Economic Club of Grand Rapids	Executive Committee
Kentwood Rotary Club	Member
Grand Valley Metropolitan Council	Board Member
Right Place Program	Board Member

See attached for a continued list

Employment record: List below all positions held since college, including the title or description of job, name of employment, location of work, and inclusive dates of employment.

Michigan Senate, State Senator – 29th District, 2003 – current
Mayor of City of Kentwood, Kentwood, MI 1992 – 2002
Goodwill Industries of Greater Grand Rapids, VP of Rehabilitation, 1987 – 1992
Hope Rehabilitation Network, Grand Rapids, MI, Director of Counseling, 1985 – 1987
Kent County Community Mental Health, Grand Rapids, MI, Contract Administrator, 1980 – 1985
Ottawa County Department of Employment and Training, Holland, MI, Administrative Aide, 1976 – 1979

Government experience: List any experience in or direct association with Federal, State, or local governments, including any advisory, consultative, honorary or other part time service or positions.

Michigan Senate, State Senator – 29th District, 2003 – current
Mayor of City of Kentwood, Kentwood, MI 1992 – 2002
City Commissioner, City of Kentwood, MI 1987- 1992
Various Committees, City of Kentwood, MI 1981 - 1987

Published Writings: List the titles, publishers and dates of books, articles, reports or other published materials you have written.

Grand Rapids Press, May 4, 1997 –Guest Essay, "On Reinforcing Marriage and Family"
Grand Rapids Magazine, January 1996 – End Quote – An Individual's Success"

Grand Rapids Press, Feb. 15,2004 – "Diversity has much to offer"

Political Affiliations and activities: List memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Member of the Kent County Republican Executive Committee

Political Contributions: Itemize all political contributions of $500 or more to any individual, campaign organization, political party, political action committee or similar entity during the last eight years and identify specific amounts, dates, and names of recipients.

See attached list

Qualifications: State fully your qualifications to serve in the position to which you have been named. (attach sheet)

See Attachment

Future employment relationships:

1. Indicate whether you will sever all connections with your present employer, business firm, association or organization if you are confirmed by the Senate.

NO

2. As far as can be foreseen, state whether you have any plans after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization.

NO

3. Has anybody made you a commitment to a job after you leave government?

NO

4. Do you expect to serve the full term for which you have been appointed?

YES

Potential conflicts of interest:

1. Describe any financial arrangements or deferred compensation agreements or other continuing dealings with business associates, clients or customers who will be affected by policies which you will influence in the position to which you have been nominated.

NONE

2. List any investments, obligations, liabilities, or other relationships which might involve potential conflicts of interest with the position to which you have been nominated.

NONE

3. Describe any business relationship, dealing or financial transaction (other than tax paying) which you have had during the last 10 years with the Federal Government, whether for yourself, on behalf of a client, or acting as an agent, that might in any way constitute or result in a possible conflict of interest with the position to which you have been nominated.

NONE

4. List any lobbying activity during the past ten years in which you have engaged in for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation at the national level of government or affecting the administration and execution of national law or public policy.

NONE

5. Explain how you will resolve any conflict of interest that may be disclosed by your responses to the items above.

NA

Civil, criminal and investigatory actions:

1. Give the full derails of any civil or criminal proceeding in which you were a defendant or any inquiry or investigation by a Federal, State, or local agency in which you were the subject of the inquiry or investigation.

NONE

2. Give the full details of any proceeding, inquiry or investigation by any professional association including any bar association in which you were the subject of the proceeding, inquiry or investigation.

NONE

Campaign Contribution Search Results

Criteria used for the search:

- Contributor's Last Name: "*HARDIMAN*"
- Contributor's City: "*KENTWOOD*"

Supplemental itemizations will be shown after the original contribution, but not reflected in the match count.
Results are sorted by: **committee name** and then by: **amount-descending**
Matches 1-13 of 13

Receiving Committee Name Committee ID-Type	Sched Type	Received From Address Occupation-Employer	City State Zip	Date	Amount	Cumul
BILL HARDIMAN FOR STATE SENATE COMM 510700-CAN	DIRECT	*BILL HARDIMAN* 1814 ANDREW SE STATE SENATOR-STATE OF MICHIGAN	KENTWOOD MI 49508-0000	11/27/02	$12,250.00	$12,250.00
CITIZENS TO ELECT AMY RICHEY 511840-CAN	DIRECT	*CLOVA HARDIMAN* 1814 ANDREW S.E.	KENTWOOD MI 49508-0000	06/24/04	$75.00	$75.00
COMMITTEE TO ELECT DAVE HILDENBRAND 511697-CAN	DIRECT	*BILL HARDIMAN FOR STATE SENATE* 1814 ANDREW SE	KENTWOOD MI 49508-0000	04/19/04	$100.00	$100.00
DICK POSTHUMUS FOR GOVERNOR 510463-GUB	DIRECT	*BILL HARDIMAN FOR STATE SENATE* 1814 ANDREW SE	KENTWOOD MI 49508-0000	08/26/02	$200.00	$200.00
FRIENDS OF GLENN STEIL JR 510808-CAN	DIRECT	*HARDIMAN FOR SENATE* 1814 ANDREW SE	KENTWOOD MI 49508-0000	11/03/03	$25.00	$25.00

KENT CO REPUBLICAN COMM 001364-COU	DIRECT	*BILL HARDIMAN FOR ST SEN COMM* 1814 ANDREW ST SELEANNE ARKEMA	KENTWOOD MI 49508-0000	04/29/04	$500.00	$500.00
KENT CO REPUBLICAN COMM 001364-COU	DIRECT	*BILL HARDIMAN FOR ST SEN COMM* 1814 ANDREW ST SELEANNE ARKEMA	KENTWOOD MI 49508-0000	05/23/03	$425.00	$600.00
KENT CO REPUBLICAN COMM 001364-COU	DIRECT	*BILL HARDIMAN FOR ST SEN COMM* 1814 ANDREW ST SELEANNE ARKEMA	KENTWOOD MI 49508-0000	05/23/03	$175.00	$175.00
KEVIN GREEN FOR STATE HOUSE 511754-CAN	DIRECT	*BILL HARDIMAN FOR STATE SENATE* 1814 ANDREW SE	KENTWOOD MI 49512-0000	09/15/04	$100.00	$100.00
MIKE COX FOR ATTORNEY GENERAL 510518-CAN	DIRECT	*BILL HARDIMAN FOR STATE SEN* 1814 ANDREW SE	KENTWOOD MI 49508-0000	11/11/03	$75.00	$75.00
SRCC 002399-IND	DIRECT	*BILL HARDIMAN FOR STATE SENATE* 1814 ANDERW SE	KENTWOOD MI 49508-0000	09/10/04	$2,500.00	$2,500.00
TERRI LYNN LAND FOR SEC OF STATE 510279-CAN	DIRECT	*BILL HARDIMAN FOR STATE SENATE* 1814 ANDREW SE	KENTWOOD MI 49508-0000	11/01/03	$100.00	$100.00
TERRI LYNN LAND FOR SEC OF STATE 510279-CAN	DIRECT	*BILL HARDIMAN FOR STATE SENATE* 1814 ANDREW SE	KENTWOOD MI 49508-0000	05/03/02	$50.00	$50.00

Matches 1-13 of 13

[Campaign Finance On-Line] [Expenditure Analysis] [Previous Search]

Michigan.gov Home | SOS Home | Elections in Michigan Home | State Web Sites
Privacy Policy | Link Policy | Accessibility Policy | Security Policy
Copyright © 2002 State of Michigan

CLYDE PRESTON WILLIAM HARDIMAN III
"BILL HARDIMAN"
1814 Andrew SE
Kentwood, Michigan 49508
(616) 455-3944

BACKGROUND SUMMARY

Education, training and experience in public administration with background in supervision, cost controls, budget analysis, program development, contract negotiation and management.

EXPERIENCE

Nov, 1992
to Present — City of Kentwood
Mayor
Full-time, elected official who serves as the Chief Executive and Policy Officer of a community of 45,000 and which employs approximately 160 people. Responsible for personnel, financial budgeting, metropolitan cooperation and communication, policy setting and implementation, management and diplomacy.

Mar, 1987
to Nov, 1992 — Goodwill Industries of Greater Grand Rapids, Inc.
Vice-President of Rehabilitation
Responsible for the general management of the rehabilitation operations. Provide leadership and direct supervision to a management team, as well as indirect supervision to a staff of 30 individuals. Participated in the preparation of an annual budget of $4,000,000, directly responsible for $1,000,000 budget for Rehabilitation Services. This position also included coordination and implementation of short and long range planning processes for rehabilitation programs, and negotiations of contracts and agreements with affiliate service organizations.
Acting President

Provided successful interim management of Goodwill Industries of Greater Grand Rapids, Inc. for a five month period.

Aug, 1985
to Aug, 1987 Hope Rehabilitation Network, Inc.
Director of Counseling and Residential Services
Management of all aspects of the Counseling and Residential Program. Major areas of responsibility included supervision of a management team and staff of 85, development and management of an annual budget of $1,600,000. Surveyed market needs and coordinated development and implementation of appropriate program modifications. Responsible for adherence to the standards of funding agencies and appropriate licensing bodies, negotiated contracts with same, and evaluated programming and services and implemented modifications as needed.

Jan, 1980
to Aug, 1985 Kent County Community Mental Health
Contract Administrator/Planner
Participated in the development and coordination of public mental health services. Negotiated and managed contracts with service provider agencies. Implemented program management activities within the parameters of the master contract, yet with the necessary latitude that promotes productive outcomes. Served as an integral communicative linkage between various human service organizations.

May, 1976
to Dec, 1979 Ottawa County Department of Employment and Training
Administrative Aide
Primarily responsible for program planning, monitoring and evaluation. Designed and implemented the program monitoring and evaluation system. Participated in the preparation of the organizational master plan. Supervised clerical staff as needed.

Employment Services Counselor
Responsibility primarily focused on employment counseling, development and maintenance of training work site. Assessed prospective employee vocational skills. Provided career and personal counseling. Mediated employer/employee disputes.

1965 to
1975 Dexter Lock, Inc. and Grand Rapids Area General Motors Plants
Foreman
Responsible for the supervision of a second shift assembly department of 50 assembly workers, stock chasers, and set-up men.
Production Worker
Worked in the Production of various parts of the above mentioned companies.

PERSONAL

Date of Birth:	May 26, 1947
Marital Status:	Married, two children
Health:	Excellent
Personality Strengths:	The ability to promote cooperation in adverse situations. An additional strength is the ability to analyze problem situations and participate in the development of creative solutions.

EDUCATION

- Master of Public Administration, Western Michigan University, August 1978
- Bachelor of Science, Grand Valley State University, June 1977
- Associate of Arts, Grand Rapids Junior College, August 1975

DISTINCTIONS

- Grand Valley State Colleges, Colleges of Arts and Sciences
- Outstanding Senior: Public Administration - June 1977
- Graduated with "High Honors" - June 1977
- Distinguished Alumnus of 1993
- United Way of Kent County, Volunteer Award - June 1984
- Leadership Grand Rapids, Graduate - May 1989
- Governor Engler's appointment to Secchia Commission on Total Quality Government - 1994
- Grand Rapids Ethnic-Minority Networking Guide Achiever Award - 1995
- Grand Rapids Times, 40th Anniversary Salute Award - 1997

MEMBERSHIPS AND
VOLUNTEER ACTIVITIES

- First Assembly of God
  - Ushering Staff - usher - past member
  - Seventh Grade Class - past counselor
  - Church Expansion Fact Finding Committee - past member
  - Periodic Speaker
- Greater Grand Rapids Community Marriage Policy
  - Steering Committee - Chair
- Spectrum Health Services
  - Board Member
- Grand Bank
  - Board of Directors - member
- The Crime Victim Foundation
  - Board Member
- Grand Valley State University
  - Foundation Board - member

- City of Kentwood
  - Mayor
  - City Commission - member
  - Finance Committee - member
  - Safety Committee - member
  - Service Committee - member
  - Planning Commission - past member
  - Zoning Board of Appeals - past member
  - Parks and Recreation Committee - past member
- Secchia Commission on Total Quality Government
  - Commission - past member
  - Human Services Task Force - Chairperson
- J.O.Y. Youth Center
  - Exectuive Advisory Board - member
- The Economic Club of Grand Rapids
  - Executive Committee - member
- Kentwood Rotary Club
  - Member
- Grand Rapids Area Transit Authority
  - Board of Directors - past member
  - Finance Committee - past member
  - Mobile Metro 2020 Task Force
- Citizens League of Grand Rapids
  - League - past member
  - Issues Committee - past member
  - Nominating Committee - past member
- Leadership Grand Rapids
  - Leadership Grand Rapids - member
  - Government and Human Services Day
- Grand Rapids Fair Housing Center
  - Board of Directors - past member
  - Finance Committee - past member
- United Way of Kent County
  - Planning Division Committee - past member
  - Needs Assessment Committee - past Chairperson
  - Community Forecasting Committee - past Chairperson
  - Campaign Cabinet, Non Profit Group - past Chairperson
- Grand Valley Metropolitan Council
  - Board of Directors - member
  - Legislative Committee - Chairperson
  - Executive Committee - member

•Michigan Municipal League
Board of Trustees - member
Finance and Taxation Committee - past member
Governors Local Government Agenda Committee - past member
Legislative and Urban Affairs Committee - Chairperson
•Kentwood Foundation
Board of Directors - member

•Paul B. Henry Chair in Christianity and Politics and the Paul B. Henry Archives at Calvin College
Steering Committee - past member
•Right Place Program
Executive Board of Directors - member
•Grand Rapids and Environs Transportation Study
Policy Committee - past member

PRESENTATIONS
Speaker at the following institutions:
•Calvin College
•Grand Valley State University
•West Michigan Community Elementary, Middle and High Schools, Churches and Civic Groups

PUBLICATIONS
•*Grand Rapids Press, May 4, 1997 - Guest Essay, "On Reinforcing Marriage and Family"*
•*Grand Rapids Magazine, January 1996 - End Quote - An Individual's Success"*

MAX CLELAND
BOARD OF DIRECTORS

EXPORT-IMPORT BANK
OF THE UNITED STATES

PHONE (202) 565-3520
FAX (202) 565-3543

To my friends in the United States Senate:

I am honored to write a letter supporting James Lambright's nomination as President and Chairman of the Export-Import Bank. I first met Jim in January 2004 when I came onto the board of the bank. He has since impressed me with his intellect and sharp mind. The bank needs him to compete with other countries and ECAs in the 21st century.

Jim came to the bank in 2001 and has since served in a number of capacities. He has headed up credit and risk management divisions, and has served as senior advisor to our board. Before taking the chairmanship last July, he served as executive vice president and chief operating officer. He has taken an active role in expanding the bank's portfolio, especially in regard to small businesses.

The bank is currently in need of more permanent leadership. Two directors left here last July and those positions remain vacant. Jim has served as acting chairman for almost a year now. We are currently working with Congress on our reauthorization process. At the same time, we are working harder to provide more services for American businesses, while facing fiercer competition from ECAs of other countries. We are trying to improve our relations with the legislative branch. We need a chairman like Jim to steer us through the next year and help keep the Bank internationally competitive.

James Lambright is an excellent businessman and civil servant who will serve the bank and his country well as permanent chairman. I urge the Senate to expeditiously confirm him.

Most respectfully,

Max

Joseph Maxwell Cleland

811 VERMONT AVENUE, N.W. WASHINGTON, D.C. 20571

CEE

Coalition for Employment through Exports, Inc.

1100 Connecticut Avenue, NW
Suite 810
Washington, DC 20036

(202) 296-6107
FAX (202) 296-9709

May 15, 2006

The Honorable Richard Shelby, Chairman
Committee on Banking, Housing and Urban Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

On behalf of our Coalition members, I am writing to strongly support the President's nomination of James Lambright to be Chairman and President of the Export-Import Bank. The President has selected an excellent candidate and we look forward to the committee's favorable consideration following tomorrow's hearing.

Mr. Lambright is well-qualified to lead Ex-Im Bank. As Acting President over the past ten months, he has provided a steady hand during a difficult period, making sound decisions on both the Bank's internal operations and in leading the Board in considering export transactions. This solid record is consistent with his superior performance in a succession of senior positions since joining the Bank in 2001.

Each year, more than 3,000 companies, mostly small and medium-sized, and their banks, look to Ex-Im Bank to provide financing for nearly $18 billion in exports of American-made goods and American-provided services. The President's FY 2007 budget calls for increasing that support to more than $22 billion, to meet the steadily increasing use of export credits by foreign governments, which now total some $800 billion annually.

As the Congress considers renewal of and amendments to the Bank's charter, and as our exporters and banks struggle to meet ever-tougher competition for export sales, we believe that James Lambright has the experience, judgment and leadership ability to be Chairman and President of this important institution during a critical period. We urge that the committee favorably report his nomination to the Senate and that the Senate confirm him as soon as possible.

Sincerely,

Edmund B. Rice
President